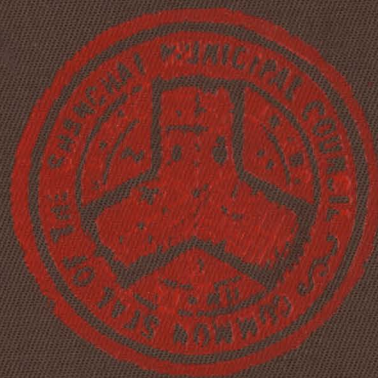


工部局董事会 会议录

第二十六册

上海市档案馆 编

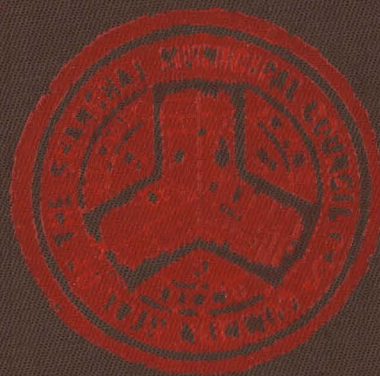


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THE MINUTES OF SHANGHAI
MUNICIPAL COUNCIL

Volume XXVI

SHANGHAI MUNICIPAL ARCHIVES



Shanghai Classics Publishing House

工部局董事会会议录

第二十六册

上海市档案馆 编

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THE MINUTES OF SHANGHAI MUNICIPAL COUNCIL

Volume XXVI

SHANGHAI MUNICIPAL ARCHIVES

Director of the Editorial and Examination Committee Zhang Qian

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Shanghai Classics Publishing House

工部局董事会会议录

THE MINUTES OF

SHANGHAI MUNICIPAL COUNCIL

(1933—1935)

At the meeting of the Council held on Thursday, January 5, 1933, at 4.30 P.M.:

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bahinson
 Messrs. R. D. F. Reith
 S. L. Hsu
 H. Leslie
 O. S. Lieu
 D. W. Massey
 C. Okamoto
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Mr. F. J. Raven.

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 forwarded his written comment to the Japanese Consul General and he is given to understand that personally the Consul General is inclined to agree to the suggestions advanced for settlement of the two major outstanding points. He has however to refer these written observations to Tokio. So far as he can judge the prospects of a settlement being reached on these outstanding points are encouraging and progress towards that end is being made.

2035 Telephone Company - Agreement for conduct of service on Outside Roads - The Secretary reports that the Chinese draft agreement forwarded by the Ministry of Communications and referred to at the last meeting has been checked and found to correspond with the English version. He was notified by the Company a few days ago that the French Municipal Authorities have rejected the application put forward by the Company and supported by the Council for its permission to enter into the proposed temporary agreement on the terms already agreed by the Council. The French Authorities have not however notified this decision officially. Accompanied by Mr. Gill and Mr. Porter he had a long interview with M. Verdier and fully explained the Council's attitude. M. Verdier contended that as the Council was experiencing certain difficulties over a settlement of the outside roads question his Council could not, as a matter of principle, acquiesce in the proposal that subscribers in the French Concession be called upon to face an additional charge to assist towards the removal of these difficulties. He (the

Secretary) pointed out to M. Verdier the desirability of a uniform system being adopted and also the benefit which would be conferred on subscribers in the French Concession by being able to communicate with subscribers in the outside roads areas without payment of a toll. M. Verdier undertook to re-submit this aspect to his Council and stated that while he would notify the Council officially of its rejection of the Company's application he requested the Secretary again to address the French Authorities in writing stressing the point that after a definitely limited period subscribers in the outside roads areas would be required to bear any additional burden involved under the proposed agreement. He has reason to hope that as a result of this further letter the French Authorities may without prejudice to their principles see their way to agree to the very small additional charge being spread over all subscribers for a temporary period in order that the Company's prospects of securing a permanent agreement may not be endangered.

6130/1 Shanghai Power Company - Issue of Bonds and Application for release of mortgage. - The Secretary reports that since the last meeting he has interviewed Mr. Henchman who stated that despite the opinion supplied to him by the Bank's Legal Adviser he was strongly in favour of agreeing to the Council's proposal. He reads a letter received from Mr. Henchman notifying the Trustees' consent and requesting that a certificate be furnished in accordance with the terms of the Trust Deed to the effect that if the opinion of the Secretary and the Treasurer & Controller a variation thereof is expedient the Trustees can act. This certificate and a covering letter have been prepared for despatch and it only remains for the formal variation of the Trust Deed to be effected.

Replying to the Chairman the Secretary states that in his opinion it is desirable to await the variation to the terms of the Trust Deed being effected before making a public announcement for the information of Debenture holders.

3160 Conviction of Member of the Russian Regiment. - The Chairman states that in accordance with the suggestion put forward by Dr. Wu at the last meeting a petition has been drafted for a pardon for this man. Mr. Yu Ya Ching and others have taken steps to assist to this end. Meanwhile as the man concerned has recently had to undergo an operation for appendicitis he has not been handed over to the Chinese Authorities.

The Minutes of the meeting of the Staff Committee of December 23 are submitted and confirmed.

The Minutes of the meeting of the Education Board of December 23 are submitted and subject to reference to the Finance Committee of the section relating to the Annual Estimates, are confirmed.

Municipal Finances. - The Chairman refers to a discussion which took place at a meeting of the Finance Committee on Friday last on the anticipated difficulty of balancing the 1933 budget. Although these minutes will not be submitted for formal consideration until the next meeting he desires to draw the attention of the Chinese members in particular to the heavy loss sustained by the Council owing to the non-payment of Land Tax on the very large area of unregistered Land within the Settlement. The Committee was strongly of the view that as these owners enjoy the same amenities as those who pay land tax efforts should be made to induce the former to bear their fair share of taxation. The Chinese members of the Committee have undertaken to give this question their serious consideration and he requests the Chinese Councillors also to assist the Council in its legal and moral right to collect Land Tax on these unregistered areas.

B4/1

With regard to the remission of taxation, another question which engaged the Committee's attention at its last meeting, the Chairman states that Mr. Hsu with the assistance of the Chinese Assistant Secretary has kindly undertaken to review the schedule of Chinese premises prepared by the Revenue Office with a view to ascertaining whether remissions in all cases are justified. At the Chairman's request Mr. Massey, with the assistance of the permanent staff, undertakes to take similar action in respect to foreign premises which enjoy this concession.

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Membership. - The Chairman states with regret that on account of ill health which necessitates his departure from Shanghai Mr. H. Terai has tendered his resignation from the Council. Although informed that the Council would be prepared to grant him leave of absence Mr. Terai preferred in the circumstances to resign. The name of Mr. Funatsu has been submitted to replace Mr. Terai and this nomination he understands is acceptable to the Japanese Community.

On the Chairman's proposal it is unanimously

RESOLVED (I) that the resignation of Mr. H. Terai be accepted with regret, and that Mr. T. Funatsu be invited to accept a seat on the Council for the remainder of the current Municipal year (II) that the vacancies on the Finance, Watch and Traffic Committees caused by Mr. Terai's resignation be filled by Mr. O. Okamoto.

5978/3

Secondary School for Chinese Girls - New Site in Western District. - In connection with a recent recommendation of the Education Board that a site be purchased in the Western District for a new Secondary School for Chinese Girls a report is submitted by the Deputy Commissioner of Public Works stating that he has secured an option which expires on January 10 for the purchase of Cad. Lot 3336 for the sum of £15,234,025. The area of this site is now 6.325 and the price per now, £15,37,000. Although this site is ideally located and meets the Board's requirements the

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January 5, 1933.

Chairman states that within a quarter of a mile there is an alternative site which it is anticipated could be acquired at a cost of Tls. 22/23,000 per mow. Although the latter may not be so conveniently situated he is of opinion that this slight disadvantage is more than offset by the saving which would be effected by its purchase. He therefore agrees with the Acting Treasurer & Controller that having regard to the existing financial stringency a cheaper site should be acquired. With regard to locomotion facilities, although the Singapore Road site is not so well served as that on which an option has been obtained it may be anticipated that these will be extended in the future, and it is possible that the Omnibus Company might be willing to provide a special service when this school commences to function.

After brief discussion members generally agreed with the views expressed by the Chairman and it is

RESOLVED that the option to purchase Cadetral Lot 3336 be not taken up.

3160 Russian Detachment - Terms of Service. - The Chairman refers to the amended Terms of Service for the Russian Detachment which on the recommendation of the Watch Committee have recently been approved by the Council. A deputation has recently called on him and submitted that the requirement that a sum of \$15 for five consecutive months be deducted from the pay of members of less than twelve months' service will inflict a considerable hardship. He understands that this deduction was recommended by the Commandant in order to offset any loss the Council might sustain in the event of a member of the Detachment deserting and not handing in his equipment. He is inclined to agree however that the deduction of approximately one third of the pay drawn by a member of the Detachment is somewhat excessive. The Commandant has now suggested that he be authorized in his discretion to vary the amount deducted.

Replying to the Chairman the Secretary states that this proposal which was acquiesced in by the Officer commanding the Russian Regiment was regarded as necessary in the interests of discipline. The Council is not in the same position vis-a-vis the Russian Detachment as are other governments vis-a-vis defence forces inasmuch as it cannot inflict penalties for desertion. Accordingly the Commandant considered that this deduction would act as a deterrent.

After general discussion the Secretary is requested to obtain a further report from the Commandant for the consideration of the Watch Committee.

The meeting terminates at 5.35 p.m.

J. Jones
Secretary.

W. H. M.
Chairman.

At the meeting of the Council held on Wednesday, January 18, 1933, 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
 T. Funatsu
 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 Acting Treasurer & Controller
 The Secretary General, and
 The Secretary.

Membership.- On behalf of members the Chairman welcomes Mr. T. Funatsu upon his
 1172 taking his seat on the Council.

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

5129 Outside Roads Negotiations. - The Secretary General reports that no
 further communication has been received from the Japanese Consul General,
 his further observations are however expected at an early date.

6095 Telephone Company - Agreement for conduct of service on Outside Roads. -
 The Secretary reports that a further letter has been addressed to the
 French Municipal Authorities in the sense suggested at the last meeting.
 No reply to this letter has yet been received but he understands that the
 points emphasized therein are receiving the serious consideration of the
 French Authorities.

6130 Shanghai Power Company - Issue of Bonds and application for release of
 Mortgage. - The Secretary reports that the necessary exchange of corres-
 pondence between the Council and the Trustees and between the Council and
 the Company has now been effected. Copies of this correspondence have
 been furnished to the Council's Legal Adviser who is now preparing the
 necessary formal variation to the Trust Deed.

3160 Conviction of Member of the Russian Regiment. - The Chairman states that
 the petition referred to at the last meeting has been forwarded to the
 Legislative Yuan and a statement dealing with the legal aspects of this
 man's conviction has been prepared by the Secretary and also transmitted

to the Legislative Yuan. Meanwhile this man is still in the custody of the Commandant.

3160 Russian Detachment - Terms of Service. - The Chairman states that since the last meeting he has ascertained that it would appear that only eleven men of the Detachment will suffer hardship by adherence to the requirement that \$15 be deducted from their pay for five consecutive months. A further report on this question has been prepared by the Commandant for consideration by the Watch Committee.

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

Municipal Finances. - The Chairman states that as a result of the information furnished by the Acting Treasurer & Controller members of the Committee agreed that the question of an increase in the General Municipal Rate should be considered at an early date. He suggests however and members concur that consideration of this question be deferred until the return next month of the Treasurer & Controller.

With regard to the taxation of unregistered land the Chairman requests that the Chinese members in particular will carefully study the memorandum on this question which is being prepared and which will be circulated at an early date.

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

The Minutes of the meeting of the Education Board of January 11 are submitted and subject to reference to the Finance Committee of the section relating to the Annual Estimates and to the following observations, are confirmed.

5978 Secondary School for Chinese Girls - Site. - The Chairman states that since the Education Board recorded the recommendation that Cad. Lots 5960 and 5954 be purchased as a site for this new school building the Commissioner of Public Works has drawn his attention to the fact that the Council owns an area of approximately 4 mow situated between the Park and the area which it is recommended be purchased. The small residence on the area owned by the Council is at present occupied by the Superintendent of Parks and Open Spaces and the Commissioner of Public Works has suggested that this area and a portion of that now recommended for purchase be utilized for the new School building and playing space. As Cad. Lots 5960 and 5954 are in the same ownership and as the owner is unwilling to sell one of these lots to the exclusion of the other he suggests that he be authorized to negotiate for the purchase of both lots at a price not exceeding Tls.22,000 per mow. Mr. Harpur is of opinion that it should be possible to dispose of the surplus area (approximately Cad. Lot 5954) without loss although this will necessarily depend on local conditions.

In endorsing this proposal Messrs. Beith and Leslie observe that from a cursory examination of the plan the area which, it is proposed, would ultimately be disposed of is of considerable depth but has a very limited road frontage; a disadvantage which might react against its early re-sale. They therefore suggest that this aspect of the proposal should be referred to the Works Committee.

After brief discussion and subject to reference to the Works Committee for its view on the point raised by Messrs. Beith and Leslie it is

RESOLVED that the Commissioner of Public Works be authorized to negotiate for the purchase of Cad. Lots 5960 and 5954 at a price not exceeding Tls.22,000 per mow, the area not required for school purposes ultimately to be resold.

^{F.S.11}
Election of Councillors and Annual Meeting of Ratepayers. - After consideration of a memorandum prepared by the Secretary it is

RESOLVED that it be suggested to the Consular Body that March 27 and 28 be fixed as the dates for the election of Councillors and that the Annual Meeting of Ratepayers be held on April 19.

^{C.S.11}
Country Hospital - Board of Governors. - The Secretary reports that following the resignation of Mr. T. Kikuchi from the Board of Governors of the Country Hospital and his subsequent decease, the Japanese Consul General has recommended Mr. T. Morioka as a suitable candidate to fill this vacancy. It is noted that under Clause 7 of the Deed of Gift the successor to the late Mr. Kikuchi has to be appointed by the Council.

After brief discussion it is unanimously

RESOLVED that Mr. T. Morioka be invited to fill the vacancy on the Board of Governors of the Country Hospital until the date of the forthcoming Annual meeting of Ratepayers.

^{F.S.12}
Special Meeting of Ratepayers for Amendment of Bye-law XXXIV. - In connection with the Council's decision that an endeavour should be made to convene a special meeting of Ratepayers for the purpose of securing an amendment to Bye-law XXXIV to permit the regulation and inspection of factories, the Secretary General alludes to the discussions on this subject which took place last year between the late Chairman of Council and himself and local Chinese officials and also with representatives of the Employers' Federation. Owing to the unsettled political situation prevailing at that time no action was taken by the Council to secure the necessary authority. The Council however at that time authorized the appointment of Miss E. M. Hinder and this lady has assumed her duties this month. The only means by which the Council can secure the necessary powers to undertake the regulation and inspection of factories within the Settlement is by an extension of Bye-law XXXIV and this amendment can only be

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January 18, 1933.

effected if authorized by a special meeting of Ratepayers. He therefore proposes that an endeavour should be made to convene a Special Meeting of Ratepayers on the date fixed for the forthcoming Annual meeting.

F6/1
The Chairman observes that the Carlton Theatre in which the Annual Meeting was held last year is not sufficiently large to accommodate the necessary quorum for a special meeting and that if the Grand Theatre is not available by that date it would appear that the only other building of sufficient size is the Drill Hall. He therefore proposes and members concur that the Commissioner of Public Works be requested to submit a report as to the availability of buildings capable of accommodating a quorum.

Upon the Secretary General undertaking to prepare the necessary draft resolution it is

RESOLVED that an endeavour be made to convene a special meeting of Ratepayers on April 19 for the purpose of authorizing an amendment to Bye-law XXXIV and if necessary to submit to such meeting any further proposals which can only be disposed of by a special meeting.

In respect to Mr. Massey's enquiry as to whether an amendment to the Bye-laws is necessary to enable the Council to impose an amusement tax as has been recommended by the Hospital Commission the Secretary General refers to preliminary conversations he has had with Mr. O. K. Yui on the proposal of the Central Government to impose such a tax both within and outside the Settlement. Mr. Yui has agreed to take no action in this matter pending a continuation of these discussion. He is of the opinion that having regard to the Council's powers to licence places of public entertainment no such amendment is called for.

The meeting terminates at 5.30 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, February 1, 1933, at 4.30 p.m.
there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bahnsen
 Messrs. B. D. F. Beith
 T. Funatsu
 S. L. Hsu
 N. Leslie
 P. W. Massey
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Mr. O. S. Lieu.

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

6129 Outside Roads Negotiations. - The Secretary General reports that he has been notified by the Japanese Consul General that he is prepared to resume discussions on these outstanding questions tomorrow.

6130 Telephone Company - Agreement for conduct of service on Outside Roads. - The Secretary reports that he was informed this afternoon that this matter was discussed by the French Municipal Authorities in meeting on Monday last, but that no definite conclusion was reached. The French Authorities have addressed the Company for further information and he hopes to receive an official communication from them within the course of a few days.

6130 Shanghai Power Company - Issue of Bonds and application for release of Mortgage. - The Secretary reports that the preparation of the necessary formal variation to the Trust Deed is being proceeded with. A statement for issue to the Press is also being prepared and will be completed shortly.

6130 Conviction of Member of the Russian Regiment. - The Chairman states that since the last meeting information has been received from the Nanking Authorities which leads him to believe that the apparent miscarriage of justice in this case may be remedied.

Municipal Finances. - Members are informed that owing to pressure of other business it has not been possible to circulate the memorandum referred to at the last meeting on the question of the taxation of unregistered land. This will be furnished to members at an early date.

F6/1 Special Meeting of Ratepayers. - From a report submitted by the Commissioner of Public Works it is noted that the management of the new Grand Theatre anticipates that the new building will be completed by March 31 and that it will place the theatre at the Council's disposal for the holding of the Annual Meeting. Prior however to notifying the rental the management desires to know the period for which the Theatre will be required.

The Secretary states that the holding of the Annual and Special Meetings will necessitate engaging the Theatre for the period during which the two afternoon cinema performances are held.

With regard to the hour to be fixed for the holding of these meetings the Secretary General suggests that the Ordinary meeting might commence at 2 p.m., or 2.30 p.m., and in the event of the necessary quorum being in attendance the meeting adjourned and the business of the Special meeting transacted.

Opinion is divided as to the most suitable hour for the holding of the Special meeting, certain members taking the view that if this were fixed for 4.30 p.m., or 5 p.m., there would be more likelihood of securing a quorum.

After discussion it is decided to defer decision as to the hours to be fixed for the Annual and Special meetings; the Secretary is however authorized to inform the Management of the new Grand Theatre that in any case the Council's requirements will preclude the holding of the two afternoon cinematograph performances and to ascertain the charge for the hire of the Theatre.

The Minutes of the meeting of the Education Board of January 25 are submitted and confirmed.

K7/2 Greyhound Racing Association (China) Ltd. vs. Brig.-General Macnaghten and Mr. R. M. J. Martin. - For members' information the Secretary General reports that the case against Brig.-Gen. E. B. Macnaghten and Mr. Martin has been set for hearing before a Jury on February 7. He recalls that the action originally taken by the Council in requiring the closure of Luna Park was actuated by the belief that the gambling activities as undertaken by this organization were illegal. During the past month a decision of one of the inferior Courts in Great Britain was appealed against and the Lord Chief Justice ruled that the use of the totalizator or pari-mutuel on dog-racing

tracks was not only illegal but constituted an indictable offence. So far as British subjects are concerned this decision, which has not been appealed against, has an important bearing on the Council's position since it is difficult to conceive that the complainants could recover any, or any substantial damages arising out of the stopping of activities which have been ruled to be both illegal and constituting an indictable offence. In his opinion and in the opinion of other lawyers with whom he has discussed this question the Council's prospects of securing a favourable verdict in this case are encouraging.

Country Hospital - Endowment of Beds. - The Secretary General reports that he C.S.K. has recently been notified by the Board of Governors of the Country Hospital that under the will of the late Mrs. Remah Moses a fund has been allocated to endow a number of hospital beds to be selected by her Executors. The Executors have decided to endow four beds in the Country Hospital. After consultation with the Board of Governors and the Superintendent it has been ascertained that a sum of Tls.6.37 per bed per day or approximately Tls.9,300 per annum for four beds would be required to give effect to this endowment. The Executors have accordingly agreed to invest a sum of Tls.155,000 giving a return of 6% per annum. The amount assessed by the Board of Governors has been carefully calculated and whilst this does not entirely reimburse the Hospital if calculated on the entire number of beds in the Hospital the Governors feel that having regard to the fact that the charge for a certain number of beds is as low as Tls.5 per day and that as the sum of Tls.6.37 per bed per day will be received whether or not the four beds are occupied, this assessed figure is reasonable. The Acting Treasurer & Controller supports this view. This endowment is primarily for the benefit of destitute residents preference when possible to be given to members of the Jewish Race. There is nothing in the Deed of Gift to preclude acceptance of this endowment and whilst the Council's approval thereof is not essential the Governors desire in view of its financial interest in the Hospital to refer this question to the Council prior to formally accepting this donation. As considerable time has elapsed since the offer was first put forward he desires to notify the Board of Governors tomorrow that the Council has no objection to acceptance of this donation.

After brief discussion and in recording their gratification at the generous nature of this donation members authorize the Secretary

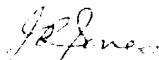
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General to notify the Board of Governors that the Council has no objection to acceptance of the offer to endow these four beds on the terms arranged.

The meeting terminates at 5.20 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, February 15, 1933, at

4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnold (Vice-Chairman)
 B. D. F. Beith
 T. Funatsu
 S. L. Heu
 H. Leslie
 P. J. Massey
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ma Ching
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Capt. J. J. Baunson
 Mr. O. S. Lieu.

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

§129 Outside Roads Negotiations. - The Secretary General reports that the Japanese Consul General has not yet been able to resume discussions on these outstanding questions. He hopes however that they will be continued within the next few days.

2048 Telephone Company - Agreement for conduct of service on Outside Roads. - Members are informed that an official communication on this subject is expected from the French Municipal Authorities at an early date.

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

W.S.P. Secretariat - Promotion of Mr. A. M. Kotenev, Assistant. - The Secretary reports that he has taken up with Mr. Kotenev the question of his intimate association with local Russian affairs. Mr. Kotenev has now forwarded a formal letter of resignation from his position of Chairman of one of the leading local Russian Organizations. He has stated however that as his successor will not be appointed for possibly six weeks it will not be possible for him entirely to relinquish his connection with this Association until approximately the end of March. The Secretary states that at the end of March he proposes to obtain from Mr. Kotenev an assurance that he has severed his relationship with this local organization.

The Minutes of the meeting of the Public Utilities Committee of February 6 are submitted and subject to the following exception, are confirmed.

1908 Waterworks Company - General Metering. - The Vice-Chairman states that although the Committee has recommended for approval adoption of the latest proposal submitted by the Company having for its object the unbalancing of water rates members took the view that none of its proposals was entirely satisfactory. For this reason he has addressed a letter to ~~this~~ Chairman advocating that serious consideration should be given by the Council to the purchase of the waterworks undertaking. Copies of this letter have been furnished to members.

The Chairman states that from his conversations with the Chinese members it is evident that there is considerable misunderstanding on their part as to the Company's position. He desires it to be clearly understood that the Company by adoption of the metering system is not attempting to make a larger profit than that which accrued under the former system and that any attempt on its part to do so would merely result in a lowering of the tariff rate agreed by the Council when the tariff revision next becomes due. The main difficulty at present confronting the Company is that whereas the consumers who themselves pay the water rate under the metering system are given an inducement to economise, such inducement to the consumers in large blocks of property, the water rate in respect of which is paid by the Landlord is lacking with the result that the cost of wastage has to be borne by the landlords. Just prior to this meeting a further proposal was received from the Company which is in effect an extension of the proposal recommended for adoption by the Public Utilities Committee. Under this latest proposal the Company is prepared to charge Chinese houses the rental of which is \$40 - \$45 per mensem at 90% of the basic rate and decrease charges in steps of 10% to 20% in the case of houses under \$10 per mensem rental; if the Company charges Chinese and foreign houses of over \$100 per mensem at 110% of the basic rate, increasing to 150% in the case of houses of over \$150 per mensem rental it will be possible to keep water charges to approximately 7½% of the rental if reasonable economy in the use of water is effected. As an experimental measure and provided no opposition is encountered from those consumers who will be called upon to pay in excess of the basic rate he is prepared to support this proposal. In this respect it is to be observed that consumers in the higher rented premises have received a substantial benefit by adoption of the metering system and under the proposal to charge them in excess of the basic rate they will in effect continue to pay at a rate approximately equivalent to that charged under the former system. In respect to the discontinuance of the water supply he has been assured by the Company that in no single instance has such action been taken if the nett account rendered has been

in excess of 10% of rental and that if accounts in excess of this basic have been paid voluntarily the Company has either refunded the difference or credited it to the consumer's next monthly account. Moreover the Company has informed him that the water supply is not discontinued unless payment of accounts is overdue for approximately 6 months.

Mr. Hsu states that he has recently made a careful study of the position of the Company vis-a-vis the consumer. Whilst appreciating that the metering question is most intricate and involved he has reached the conclusion that the difficulties which have now arisen are mainly attributable to the fact that the basic rate of 62½ cents per 1000 gallons was fixed without sufficient investigation and study as to what comprised an equitable basic rate. This rate was fixed prior to the Company embarking generally on the metering system prior to which, he is informed two basic rates were in force, one for metered premises and one for non-metered premises. Apparently the Company overlooked the fact at the time the rate was fixed on an arbitrary basis that the water supplied under the metering system was a very small proportion of the total quantity supplied. He therefore suggests that a reduction in the basic rate approved by the Council is called for. In respect to the case quoted by the Chairman of an account of \$115 being rendered which was subsequently reduced to \$9 he submits that this in itself clearly demonstrates that the basic rate has been fixed without sufficient study and although the Council approved this basic rate the Council itself had insufficient data to determine as to its equity or otherwise. In his opinion the latest proposals submitted by the Company are likewise based on insufficient data and if adopted will not overcome the existing opposition. He is therefore unable to support these proposals since he considers it would be regrettable if, after a brief period, the non-success of these proposals being demonstrated, still further schemes should have to be introduced. In order to ensure the success of the metering system he suggests that the Company should be required further to investigate and study the metering question and possibly install master meters in large blocks of property to enable it to gain the necessary experience and statistical data. He concurs with the Vice-Chairman that the real solution to this problem is either the purchase by the Council of the Waterworks undertaking or alternatively a revision of the terms of the franchise.

In respect to Mr. Hsu's observations the Chairman states that he is unable to agree that the basic rate was fixed in a haphazard manner. Prior to the Council according its approval thereto the Company's financial requirements were most carefully examined by the Finance Department.

Upon Mr. Hsu suggesting that charges under the metering system should in all cases be collected direct from the consumer the Chairman alludes to the difficulty which would be experienced by the Company in respect to

large blocks of low rental houses accommodating numerous occupants. Mr. Preston has suggested the desirability of the Council endeavouring to secure a new bye-law whereunder landlords who did not keep water pipes, faucets etc., in proper repair would be fined, in order to assure that such pipes etc., were kept in such a state of repair as would enable their tenants to pay a reasonable charge for the water actually consumed. Adoption of this proposal does not however provide a solution to the problem immediately confronting the Council. As to Mr. Hsu's proposal that pending further investigation by the Company the rate should revert to 7 $\frac{1}{2}$ % on rentals the Chairman states that this proposal would defeat its own end since consumers would have no inducement to exercise economy in water consumption.

Mr. Hsu states that he cannot agree that adoption of the Company's latest proposals offers an inducement to economy whilst the system remains under which the owners of large blocks of property and not the consumers are called upon to pay the water charge.

The Vice-Chairman states that as an emergency measure he favours adoption of the latest proposals submitted by the Company, at the same time he suggests that the Council should seriously consider a revision of the terms of the franchise and explore the possibility of securing a new bye-law as suggested by Mr. Preston.

As he has been assured by the Company that if under adoption of these proposals the charges were obviously exorbitant it would in no case actually collect a rate in excess of 10% of rental and as it considers that if reasonable economy is exercised the average charge will work out at approximately 7 $\frac{1}{2}$ % of rental the Chairman supports Mr. Arnold's proposal.

Upon Mr. Hsu urging that decision on this question be postponed until the next meeting and stating in reply to the Chairman that he does not consider such postponement will appreciably affect the existing acute situation members adopt his proposal that decision on this question be deferred for two weeks.

Mr. Hsu then suggests that during this interval the Company should be required to discontinue the cutting off of the water supply in all cases. The Chairman states that he has taken this question up with the Company and that it is not prepared to comply with this request. He is informed by Mr. Pearson that additional latitude has recently been allowed by the Company but that in many cases in which the supply has been cut off the water charges have been outstanding for a long period prior to the metering system being installed. Such consumers are obviously taking advantage of the existing position to avoid a payment which has no connection with the present controversy.

The Chairman then proposes and members concur that in the matter of discontinuing the water supply during the next two weeks the Company be

requested to exercise discrimination in respect of consumers who may appear to have a legitimate grievance and those who are regarded by the Company as habitual defaulters.

The Minutes of the joint meeting of the Works and Traffic Committees of February 7 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of February 7 are submitted and subject to reference to the Finance Committee of the section relating to the Annual Estimates and to the following exception are confirmed.

5918/3 Secondary School for Chinese Girls - Site. - The Chairman states that since this matter was discussed by the Committee the Commissioner of Public Works has suggested that an area of three or four now forming part of the Singapore Park might be utilized; this together with the adjoining area owned by the Council at present occupied by the Superintendent of Parks would be sufficient for the accommodation of this School and render the purchase of additional land unnecessary. The Education Board regards the erection of this new School as urgent and whilst adoption of the above proposal would reduce the area of Singapore Park the fact should not be overlooked that Kioochow Park in the near vicinity will if it is anticipated be available for the public within a year or so.

After brief discussion and subject to reference to the Education Board it is

RESOLVED that an area of approximately 4 now from the Singapore Park be utilized for school purposes and that negotiations for the purchase of additional land be not proceeded with.

The Minutes of the meeting of the Education Board of February 8 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee of February 10 are submitted and confirmed.

86/4 S.V.C. Annual Inspection. - The proposal submitted by the Commandant that Brigadier Fleming be requested to conduct the forthcoming Annual Inspection of the Volunteer Corps is approved.

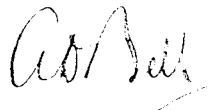
5892/1 Services of Dr. J. C. H. Wu. - The Chairman states that in the normal course of events Dr. Wu would terminate his position under the Council as from today. He has however requested Dr. Wu to extend his services for a brief period in order to complete certain volumes now in the course of preparation three of which he has already handed to the Chairman. Dr. Wu has undertaken to attend any future meetings of Council if he is so requested.

Volunteer Corps. - The Vice-Chairman refers to the unfortunate situation which
K13/ has arisen as between the Commandant and Major Thieme, Commanding the
Russian Regiment. Every effort has been made to settle this dispute on
an amicable basis but these efforts have proved unsuccessful. As the
Commandant has now suspended Major Thieme from duty he suggests that early
and official action becomes necessary. During the investigation of this
dispute by the Chairman, Captain Palmson and himself the Commandant
stated that he would endeavour to modify his attitude provided Major Thieme
was officially informed by the Watch Committee that the attitude he had
adopted was regarded as intolerable. Whilst at one time the prospect of
composing the differences between these two officers appeared to be
favourable Colonel Thoms subsequently notified him of further alleged
irregularities on Major Thieme's part and stated that he was not prepared
to let matters stand as at present. The Commandant later informed him
that he cannot possibly re-instate him to the command of the Russian
Regiment and as his continued suspension is subversive of the interests of
discipline Mr. Arnhold suggests that a formal enquiry should be held to
investigate the position.

After brief discussion the Vice-Chairman's proposal is adopted
and it is

RESOLVED that in addition to Mr. H. E. Arnhold and the
Secretary General who consent to serve Capt. J. J. Palmson and the
Commissioner of Police be requested to conduct this formal enquiry.

The meeting terminates at 6.45 p.m.



Chairman.


Secretary.

At the meeting of the Council held on Wednesday, March 1, 1933, at 4.30 p.m.,

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Babson
 Messrs. B. D. F. Beith
 T. Funatsu
 S. L. Hsu
 N. Leslie
 F. W. Massey
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Mr. O. S. Lieu.

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

5174 Outside Roads Negotiations. - The Secretary General reports that on Monday last the Japanese Consul General informed him that he would be able this afternoon to resume discussion on these outstanding questions. Late this afternoon however word was received that the Japanese Consul General was unavoidably detained but that he hoped to continue these discussions tomorrow.

1468 Waterworks Company - General Metering. - The Chairman states that the Chinese Councillors have informed him that they have not had an opportunity adequately to study the further memoranda which have been distributed to members since the last meeting. As there would appear to be a reasonable prospect of a solution of this complex question being reached he suggests that discussion thereon be deferred and that the representatives of the Company and of the Shanghai Realty Owners' Association in conjunction with Mr. Feng Ping Nan and the permanent staff be urged to continue their negotiations with a view if possible to agreed proposals being submitted to the Council at its next meeting. This proposal is adopted.

The Vice-Chairman states that the Chinese members have informed him that they are somewhat apprehensive that disturbances may occur as a result of the supply to a number of consumers being disconnected by the Company. They have stated their willingness if this supply is resumed to guarantee payment of the outstanding amounts.

In this respect the Chairman states that the Company has taken this action as a matter of principle. The Realty Owners' Association has already suggested that it would guarantee payment of a proportion of the amounts outstanding if the water supply was resumed. The Company is however unwilling to acquiesce in a proposal which would suggest to the public its acceptance of payment on an arbitrary basis of 10% of rental. The consumers concerned have refused the Company's invitation to meet and discuss the basis upon which these disputed accounts are rendered. He undertakes again to take up this question with the Company and he suggests that the representatives above referred to might also give it further consideration.

On the ground that resumption of the water supply would promote a more friendly atmosphere Mr. Hsu strongly favours this action being taken by the Company. The Chairman suggests that the Company might be more willing favourably to consider this proposal if it could be assured that the agitation and misleading propaganda which now appears in the Chinese press would cease.

After further discussion members adopt the Chairman's proposal that he should discuss this question with representatives of the Company; the Chinese members on their part undertaking to endeavour to secure the cessation of the propaganda which continues to appear in the Chinese press. The Minutes of the Watch Committee of February 22 are submitted and confirmed.

Services of Major Thieme. - The Vice-Chairman reports that subsequent to the meeting of the Committee Major Thieme submitted his resignation together with an admission that he had accepted sums of money from the catering contractor. Accordingly the holding of a formal enquiry became unnecessary. At a joint meeting of the Watch and Staff Committees held this afternoon it was unanimously recommended that in view of the gravity of one of the charges to which Major Thieme has confessed that he should be summarily dismissed the service.

The above recommendation is confirmed.

In respect to the view recorded by the Committee that steps should be taken in future to prevent an employee briefing a member of the firm which is retained as the Council's Legal Advisers the Chairman states that when Major Thieme briefed Mr. McNeill, Mr. Wright immediately consulted the Secretary and himself; in the meantime however it was understood that the Commandant was in touch with another lawyer.

After discussion members agree that in future employees be not permitted to be represented by any member of the Legal firm retained by the Council in cases in which the interests of the employee and of the Council might conflict.

In view of the difficulties experienced by the Commandant in his efforts to bring to light the irregularities on the part of Major Thieme the Vice-Chairman's proposal is adopted that an official letter of appreciation be forwarded to him.

Having regard to the developments which have occurred since the Watch Committee recommended payment by the Council of the legal expenses incurred by Major Thieme the Chairman doubts the propriety of these costs being defrayed by the Council.

After brief discussion and in view of the fact that it is most unlikely that Major Thieme will be in a position to defray this charge members agree that as an act of grace it should be borne by the Council.

Shanghai Telephone Company - Agreement for conduct of service on Outside Roads.

3095 In a memorandum submitted the Secretary states that a communication has been received from the French Municipal Authorities to the effect that they agree that the additional rental payable to the Chinese Government Telephone Administration in respect of extra-Settlement subscribers who pay the Council's Special rate should be charged to the Tariff Revision Account and spread over the subscribers of the whole system. This rental is temporary, limited by the conditions to a maximum number of persons and to a period not exceeding one year. With regard to the royalty payable to the Municipality of Greater Shanghai, which for the period December 1930 to the end of 1933 is estimated at Tls.14,200 the French Municipal Authorities will not agree that this should be borne in part by subscribers in the French Concession. Accordingly this payment must be (a) borne by all the subscribers except those in the French Concession, thus creating a tariff variation or (b) paid entirely by subscribers outside the Settlement by an extra charge on the telephone tariff or - (c) borne by the Company. This question has been discussed by the Treasurer & Controller and himself with representatives of the Company and they were urged that this charge should be borne by the Company itself. For the reasons outlined in his memorandum the Company's representatives were averse to this proposal and as an alternative they suggested that as from the date of conclusion of the temporary agreement this charge should be levied upon the subscribers served under such agreement. The effect of this proposal would mean that as from the date of the temporary agreement coming into effect these subscribers would be required to pay an additional Tls.1.50 per quarter and that after the end of 1933 they would be called upon to pay an additional Tls.4 per quarter.

In appreciating the point made by the Company that as the Council is not in a position under the existing franchise to permit them to extend in the outside road areas it should not be called upon to pay two royalties, members take the view that the Company would not be unaware of this possibility at the time the franchise was granted. They also concur with the Vice-Chairman that it is not inequitable to require the extra-Settlement subscribers who will benefit under this new franchise to contribute towards the additional royalty charge. They therefore favour the Company being asked to bear this charge equally with the extra-

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Settlement subscribers provided the demand on such subscribers is not made in such a way as would infer that this charge is being imposed retrospectively. The Chairman suggests ^{and} ~~that~~ members concur that the payment in respect of the period June 1932 to the date of the signing of the new agreement which would amount to approximately half the total sum involved, be borne by the Company and that thereafter this charge be included in the accounts rendered to the extra-Settlement subscribers.

After further general discussion the Secretary is requested to endeavour to obtain the consent of the Company to the arrangement above outlined.

The Minutes of the meeting of the Health Committee of February 14 are submitted and subject to reference to the Finance Committee of the section relating to the Annual Estimates are confirmed.

At 10.1 School Medical Inspection. - In respect to the appropriation of Tls.40,000 included in the estimates of Ordinary Expenditure under this heading, Mr. Massey suggests it might be of assistance to the Finance Committee when considering the Budget in its final form if an expression of view were recorded by the Council as to the desirability or otherwise of this scheme being embarked upon.

In generally agreeing that the introduction of this scheme is highly desirable members appreciate that once embarked upon the Council will become committed to increasingly heavy annual expenditure. Prior to recording any definite recommendation thereon it is requested that the relative reports furnished by the Commissioner of Public Health on this question be circulated for members' perusal.

At 10.1 Pasteurization of Grade "B" Milk. - Mr. L. T. Yuan expresses his willingness to serve on the small Committee to be instituted for consideration of this subject.

The Minutes of the meeting of the Traffic Committee ^{of February 17} are submitted and subject to the following exception, are confirmed.

At 10.1 Hire Car Service on the Bund. - Allocation of Parking Space. - Upon the Chairman observing that some doubt exists as to the Council's legal position in imposing a charge for a monopoly of parking hire cars on the Bund the Secretary General suggests that the Council's position should be carefully considered before it offers to grant rights which it might possibly not possess.

In view of this members agree as to the inadvisability of accepting a tender for the utilization of this space. As an experimental measure however it is

RESOLVED that a portion of the space at present allocated

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for the parking of private rickshas be allotted for the parking of ten hire cars such space to be available for use by hire car companies generally.


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

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

The meeting terminates at 6 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, March 15, 1933, at

4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)

H. E. Arnhold (Vice-Chairman)

Capt. J. J. Bahnon

Messrs. B. D. F. Beith

S. L. Hsu

H. 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:

Messrs. T. Funatsu

T. D. Woo.

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

5189 Outside Roads Negotiations. - The Secretary General reports that he had a discussion yesterday with the Japanese Consul General on these outstanding points. The written observations he prepared thereon some two months ago have been transmitted to Tokyo but so far no communication has been received from the Japanese Government. The Japanese Consul General has undertaken to furnish him with his written comment on these observations and upon receipt thereof he will resume his discussions with the Chinese authorities. He does not however anticipate that substantial progress can be made in this matter prior to the forthcoming annual meeting of ratepayers.

1408 Waterworks Company - General Metering. - The Treasurer & Controller reports that negotiations with Mr. Feng Ping-nan and with officials of the Company are proceeding and that there appear to be prospects of a solution to these outstanding questions being reached. Replying to the Chairman the Treasurer states that he has not officially discussed with Mr. Feng and the Company's officials the proposal of the Chinese members to guarantee payment of the water rates in respect to those blocks of properties from which the supply has been discontinued. He appreciates however the desirability of removing any source of irritation to any of the parties concerned during the course of these negotiations.

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In his opinion if the Chinese members are prepared to furnish such a guarantee without limitation and restriction both in respect of the rates at present outstanding and those which may become outstanding during the course of these negotiations he sees no reason why the Company should not accept this offer.

The Chairman states that he has been informed by the Company that while it appreciates the motives which prompted the Chinese members in making this offer it is reluctant to take advantage thereof on the ground that its acceptance may result in encouraging other consumers to refuse payment. Following his conversation this afternoon with the Chinese members he undertakes again to take up this question with the Company in the hope that it will be able to see its way to accept this offer and thus remove one cause of irritation which may be prejudicial to the successful outcome of the negotiations and investigation now proceeding.

Services of Major Thieme. - The Chairman states that whilst Mr. McNeill's account for legal services amounts only to Tls. 100, Mr. Reader Harris has submitted an account to the Commandant in the sum of Tls. 500. In view of the disparity between these charges he understands the Commandant is taking up this question with Mr. Reader Harris. In concurring that this latter charge would appear to be somewhat excessive members adopt the Chairman's proposal that payment of this account remain in abeyance pending negotiations for a reduction of this charge.

Shanghai Telephone Company - Agreement for conduct of service on Outside Roads. - The Secretary reports that following the decision reached at the last meeting he has communicated further with the Company as a result of which it has proposed that in respect to the royalty payable to the Municipality of Greater Shanghai for the period ending December 1933 this charge be apportioned almost equally between (a) subscribers' lines on the extra-Settlement roads and (b) on the lines off the extra-Settlement roads plus those in Chapei, Nantao and Pootung.

This proposal being regarded as satisfactory members authorize the Secretary to notify the Company forthwith of the Council's approval in order that conclusion of its agreement with the Chinese officials may be expedited. Members concur with Mr. Massey that in the official communications to be addressed to the Company no reference should be made to the latter group of subscribers mentioned in the Company's letter amongst whom it is proposed that approximately half of this charge shall be apportioned.

The Minutes of the meeting of the Library Committee of March 2 are submitted and subject to reference to the Finance Committee of the section relating to the Annual Estimates are confirmed.

The Minutes of the meeting of the Staff Committee of March 3 are submitted and subject to the following observations are confirmed.

3789 Orchestra & Band - Musician S. Schwaikowsky. - The Chairman states that subsequent to the meeting of the Committee the Secretary has further investigated the charges preferred against this employee; as a result of these investigations it would appear that the gravity of these charges has been reduced. He is therefore inclined to agree with Mr. Massey that an employee should not be summarily dismissed unless he be given the opportunity of rebutting such charges.

In this connection the Secretary states that whilst this employee has given apparently satisfactory explanations in respect of certain of those charges the fact remains that he has disregarded certain of the terms of service with the result that his relations with the Conductor have become intolerable. Schwaikowsky has requested that upon termination of his services he be granted family passages to Russia via Harbin.

In view of this employee's unsatisfactory record members agree that his dismissal is warranted. As an act of grace however it is

RESOLVED that upon dismissal Musician S. Schwaikowsky be granted third class family passages via Harbin to Russia.

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A/16/4
Medical Attendance - Accidents. - In respect to the recommendation that in cases in which the cost of X-ray examination has to be borne by the employee himself the charge therefor be based on the actual out-of-pocket expense incurred by the Council, the Secretary states that upon further consideration he doubts whether adoption thereof is practicable. He points out that this recommendation could only be made applicable to those employees who were X-rayed at the Police Hospital; in practice it would undoubtedly be found that the majority of employees would receive such treatment in a non-municipal hospital over which the Council has no control in the matter of charges.

Mr. Massey states that this concession was recommended solely for the benefit of those employees in respect of whom the Council assumes no liability for medical expenses. He is therefore not in favour of extending this benefit to employees who for any reason may not be able to be X-rayed at a municipal hospital.

In this respect the Secretary submits that such employees would be doubly penalized inasmuch as not only would they be required to pay the full X-ray charge but also the hospital and other charges. He therefore suggests that this recommendation be referred back to the Committee for further consideration.

After brief discussion this proposal is adopted.

The Minutes of the meeting of the Education Board of March 8 are submitted and confirmed.

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The Minutes of the meeting of the Watch Committee of March 10 are submitted and subject to reference to the Finance Committee are confirmed.

Annual and Special Meetings of Ratepayers. - In connection with the discussion
F 6/11 at a previous meeting the view obtains that there will be more likelihood of obtaining a quorum if the Special Meeting is held later than the customary hour. Accordingly it is

RESOLVED that the Annual meeting be held at 4 p.m., and that the Special meeting commence at 5 p.m., or as soon thereafter as a quorum is assembled.

The Secretary states that a letter has been received today to the effect that the owners of the new Grand Theatre anticipate that this building will be completed by April 15; as however there is no definite assurance as to this the Drill Hall will be available in case of emergency. Mr. Okamoto is of opinion that there is more likelihood of securing a quorum if the Special Meeting is held in the Drill Hall. In view of this the Chairman suggests that the owners of the Grand Theatre be notified that unless they can give a definite assurance that this building will be available the arrangement for holding the two meetings therein be cancelled. After discussion it is decided to withhold decision on this question until the next meeting, meanwhile the preliminary announcement regarding the Annual and Special Meetings will notify the public that the building in which they will be held will be subsequently designated.

Amoy Road Gaol - Appointment of Special Visiting Committee. - Arising out of
K 13/11 a number of complaints of ex-prisoners who have been confined in this gaol a memorandum by the Secretary General has been circulated. The Chairman states that on behalf of the British Minister, he and Mr. Massey visit the Gaol unofficially in the interests of prisoners of British nationality. Whilst he is of opinion that the complaints above referred to are unfounded he suggests that in order to avoid unjust criticism it is desirable that the Consular Body be requested to appoint an official Visiting Committee in the interests particularly of prisoners who do not possess extra-territorial privileges.

After discussion and in concurring in the view expressed by the Chairman it is unanimously

RESOLVED that the Consular Body be requested to appoint an official Visiting Committee for the Amoy Road Gaol.

The meeting terminates at 5.40 p.m.

A. O. M.

Chairman.

J. R. Jones
Secretary.

At the meeting of the Council held on Wednesday, March 29, 1933, 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
 T. Funatsu
 S. L. Hsu
 N. Leslie
 P. W. Massey
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. O. S. Lieu.

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

3789 Orchestra & Band - Musician S. Schvaikowsky. - Mr. Massey states that upon further consideration of the terms upon which this employee was dismissed the service it would appear that he may suffer a certain degree of hardship owing to the fact that the travelling expenses authorized in respect of the portion of the journey which will be made by rail does not include any allowance for sustenance. He therefore suggests that the Council might consider ^{the issue of} a small allowance to meet this expense.

After brief discussion members authorize the issue of a reasonable allowance to cover the cost of sustenance for this ex-employee and his family during the period spent in travelling on the railway.

5129 Outside Roads Negotiations. - The Secretary General reports that since the last meeting he has received a confidential memorandum from the Japanese Consul General furnishing his views on these outstanding points. Prior to submitting this memorandum the Japanese Consul General discussed these questions with the American and British Consuls-General. The conditions set forth in this confidential memorandum are such as to destroy the hope that agreement will be reached in the near future. The chief obstacle to this is the attitude of the Japanese Consul General to the composition of the Special Force to police the

Outside roads. Mr. Ishii requires that three Japanese senior police officials be appointed who would rank immediately below the Deputy Commissioner. In his opinion it is quite unlikely that the Chinese Authorities will be prepared to consider this proposal. As members are aware the draft agreement provides that the Commissioner and Deputy Commissioner of Police should be appointed by the Mayor, the latter official to be nominated by the Council. The Japanese Consul General also requires that a clause be inserted in the agreement to the effect that the Council will recommend that as many Japanese police officers as possible be engaged to take charge of the districts where Japanese reside and where their factories are located. He informed Mr. Ishii that he did not consider as practicable the insertion of such a clause but that he had no doubt that the Council would be prepared to use its good offices with the Chinese authorities to meet his wishes in this respect. Mr. Ishii however insists that this assurance be obtained before the agreement is signed. Mr. Ishii also requires that a declaration be made that the proposed agreement will in no way prejudice the status of foreign troops billeted in areas near the extra-Settlement roads. He informed Mr. Ishii that even if the Council were prepared to request such an assurance it would be of little value; in his opinion such a request could more appropriately be advanced by representatives of the foreign powers. Mr. Ishii further requires that provision be included in the agreement that in respect to any franchises which the Chinese Government may grant in future discrimination will not be made against Japanese and other foreign nationals. He informed Mr. Ishii that he did not consider the Chinese Government would agree to the inclusion of such a condition in a purely local agreement. Finally the Japanese Consul General stated that his Government adhered to the view that this agreement should be approved by the Governments of extra-territorial Powers. Mr. Ishii has discussed this latter point with the American and British Consuls-General neither of whom is prepared to support his contention. He pointed out to Mr. Ishii that such a requirement is contrary to the spirit of the original negotiations which envisaged an entirely local modus vivendi between the Council and the Chinese Authorities. As before stated he is satisfied that the Chinese Authorities will not discuss the proposal for the appointment of three Japanese Senior police officials and unless the Japanese Consul General is prepared to modify this demand the prospects of concluding this agreement are far from encouraging.

Upon Mr. Raven suggesting that progress might be ^{expedited} made if in his future discussions with the Japanese Consul General the Secretary General were associated with one Japanese and one Chinese member of Council the Vice-Chairman observes that British interests on the outside roads are predominant. He therefore favours a British member of Council being associated with the Secretary General in these further discussions. In support of this

suggestion he states that there appeared to be reasonable prospects last August of this agreement being concluded but that since then their progress has been blocked on account of the new demands introduced by the Japanese Consul General. He suggests that this aspect be brought to Mr. Ishii's notice.

The Secretary General states that he does not consider any good purpose would be served at this stage by adding to the number of negotiators.

After further discussion the Secretary General is requested to continue his discussions with the Japanese Consul-General and to report further at the next meeting; meanwhile the Japanese members undertake independently to express to Mr. Ishii the Council's keen disappointment that further progress cannot be made.

1908 Waterworks Company - General Metering. - The Chairman states that in accordance with the undertaking he gave at the last meeting he approached the Company and urged it to accept the undertaking of the Chinese members to guarantee the payment of the outstanding accounts on certain properties and to re-connect the supply to such properties. As a result of his representations the Company has agreed to this proposal and the water supply to the properties concerned has been resumed.

For members' information the Treasurer & Controller furnishes a summary of conclusions reached between Mr. Feng Ping-nan, representatives of the Finance Department and representatives of the Company. It will be noted that the minimum quantity of water to be supplied in return for a payment approximating 7½% on rentals has been agreed as regards the different classes of houses. It is appreciated that in certain respects the figures set forth in the table will require slight amendment in order that all classes of consumers shall receive as equitable treatment as possible. The above arrangements are of a provisional nature and their operation will not necessarily extend beyond the indefinite experimental period which it has been decided to introduce. Mr. Feng's suggestion has been adopted that during the experimental period a Board of Reference be established to which any question of particular difficulty would be referred. Finally it was agreed that with the approval of the Council and the Company the arrangements outlined above will take effect as from April 1, 1933.

Supplementing the information contained in his report the Treasurer states that the agreement reached constitutes in effect a system of a dual tariff (I) on the basis of the rental and (II) on a varying meter rate. The minimum quantity of water to be supplied to the poorest classes of consumer has been assessed on a generous basis since after considerable negotiation Mr. Pearson agreed that at the outset it was advisable to err on the side of liberality rather than to assess this quantity on too low a basis. The agreed allowance to the poorest classes of consumer forms the basis for grading the allowance to the better classes of consumers. Under this arrangement the

poorest class of consumer and those occupying houses up to a rental of \$90/100 per mensem will pay practically the same charge as they did under the former system of a percentage on rental. The principle of metering and of the conservation of the water supply will have effect immediately the assessed quantities are exceeded. In respect to all classes of houses the agreed allowance takes into account the type of property and the style of living; Mr. Pearson appreciates that it may be necessary in the initial application of this scheme for certain minor rebates to be allowed. In conclusion the Treasurer refers to the very valuable services which have been rendered by Mr. Feng Ping-nan in assisting towards a provisional solution of this difficult problem.

After discussion the proposals outlined by the Treasurer are approved and these will be transmitted to the Company for its formal approval. As it is proposed that the experimental period should commence as from April 1, next, members concur with the Chairman as to the desirability of publicity being given to these proposals immediately they are formally adopted by the Company.

K13/ Services of Major Thieme. - The Secretary reports that the Commandant has communicated with Mr. Reader Harris in the matter of the fee charged for his professional services. Mr. Reader Harris replied that his fee is based on the authorized scale of the British Court for receiving instructions and preparing a case for hearing. Mr. Harris commenced his services at least a week before Mr. McNeill commenced on behalf of Major Thieme. He also submitted that the amount of the fee charged to Major Thieme was undoubtedly influenced by the fact of the latter's ability to pay.

After hearing the Secretary members authorize payment of the fee charged by Mr. Reader Harris.

2045 Shanghai Telephone Company - Agreement for conduct of service on Outside Roads. - The Secretary reports that just prior to this meeting he was informed that a slight difficulty had arisen between the French Municipal Authorities and the Company. Although the French Authorities have agreed to the proposal for the allocation of the royalty charge they desire to insert a provision that no part of this amount will be charged to working expenses for purposes of the tariff revision in 1935. He considers however that this minor difficulty can be overcome by discussion with Mr. Gill tomorrow whereafter preparations can proceed for the signing of this agreement.

F6/1 Annual and Special Meetings of Ratepayers. - The Chairman states that officials of the Public Works Department are confident that the new Grand Theatre will be available for the holding of these two meetings on April 19. Although they appreciate that the locality of the Drill Hall is more convenient for these meetings and will hold it in readiness in case of emergency they do not favour its use owing to the fact that it has only a mud floor, and that its acoustics are far from satisfactory.

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After brief discussion members adhere to their decision to hold these two meetings in the new Grand Theatre, the hope being expressed that special arrangements can be made by the Omnibus Company for the transport of ratepayers to and from these meetings.

The Minutes of the meeting of the Orchestra & Band Committee of March 13 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 Finance Committee of March 17 are submitted and subject to the following observations are confirmed.

B9/1
Budget 1933. - Supplementing the information contained in this minute the Treasurer & Controller states that at the meeting of the Committee he dealt only with the major points of the Budget. The actual detailed budget of departmental expenditure is due from the printers tomorrow and will be submitted at an early date to the Finance Committee. As stated at the Committee's last meeting the stabilizing of taxation is an essential feature of public finance and the need for assuring that the basis of taxation levied is fair and equitable throughout the city is of the utmost importance. This principle is provided for by the proposals submitted at the Committee's last meeting. When, however, the Council is faced with a deficit which cannot be financed by the application of accumulated reserves it would become necessary to increase the percentage rate. He appreciates however that by recourse to the method adopted the Council can do no more than meet its normal requirements and cannot embark on schemes which if the financial situation were more favourable would be regarded as essential. As members are aware the balancing of the budget is largely dependent on the exchange factor and as already reported he recently made arrangements in London whereunder in case of need an adequate sum in sterling would be available for aiding the stabilization of the budget. He has already described how the Council's reserve fund was accumulated. From 1929 onwards when the Public Works Department embarked on a large scale of development the sum of £6,000,000 per annum allotted for this purpose proved to be inadequate and without making use of the reserve of approximately £3,000,000 referred to earlier application for the payment of instalments would have had to be made to the Power Company; this reserve was made use of temporarily and the time now having arrived when the normal course of financing capital projects by public borrowings must be resumed, the reserve of £3,000,000 above referred to must be brought back for the purpose of stabilizing the Ordinary Budgets. Had this matter been dealt with in any other way from 1929 onwards the position would have been that with an adjustment of funds and the large amount of interest accruing the budgets for those years would have shown an enormous surplus. Experience has however shown that such large sums must not

be regarded as inexhaustible and this is evidenced by the effect of silver depreciation on these resources in recent years. In conformity with the policy already approved by the Council he has arranged to transfer the final balance of the purchase price to be received from the Power Company a sum of nearly Tls. 4,000,000 to a loan suspense account as cover for the repayment of loans falling due for redemption after 1933. This fund should not necessarily be regarded as solely for that purpose but considered as a special fund to be made use of in the event of unforeseen contingencies arising. In respect to public borrowings as 1933 is the final year in which instalments of the purchase price will be forthcoming he has included in the capital budget provision for a loan of approximately Tls. 6,500,000 which in point of fact represents the aggregate of two outstanding issues to be redeemed on December 30 next.

B5/2 House Assessment - Basis of Valuation. - The Chairman states that the Chinese members desire that they be given an opportunity of further studying these proposals before they are adopted by the Council. He agrees as to the desirability of information being available as to their practical effect prior to their formal adoption. He therefore suggests that this recommendation be approved in principle but that its application be deferred for the time being and that in giving effect thereto the Revenue Office be instructed to exercise the utmost care in order to ensure that the revised basis of taxation in all cases is applied in a fair and equitable manner.

The Treasurer states that these proposals were put forward in order that taxation could be assessed on a less rigid basis than that at present in force and to enable the particular circumstances of each case to be taken into consideration.

After discussion the Chairman's proposal is adopted that further careful study be given to these proposals prior to their being formally adopted.

B9/1 Schedule of Rates, Taxes, Dues and Fees for 1933. - A schedule is submitted showing the proposed variations in the scale of fees for places of public entertainment.

Subject to agreement being reached with the French Municipal Authorities as to applying this amended scale for Cinemas the proposed variations to the existing scale are approved.

The Minutes of the meeting of the Health Committee of March 21 are submitted and subject to the following exception are confirmed.

C19/4 Hospital & Nursing Services Commission - Recommendation concerning Registration of Hospitals. - In connection with the Committee's recommendation that an endeavour be made at the forthcoming Special Meeting of Rate-payers to secure legislation for the registration of all hospitals and

kindred institutions within the Settlement the Secretary General states that he is unable to support this recommendation for the following reasons. In Western Countries such registration is provided for by State and National Laws. From time to time proposals are put forward to the Council which if adopted would place it in the same position as the Government of a Country or State. The Council's sole power is derived from the Land Regulations. It would appear that in some quarters the impression obtains that the Council by seeking and securing the authority of the Ratepayers to an amendment of the Bye-laws can obtain powers in excess of those contemplated by the Land Regulations. Whilst there would probably be little difficulty in obtaining from the Ratepayers authority to include hospitals in the category of licensed premises and occupations it is uncumbent on the Council to consider whether under the Land Regulations such licensing could be enforced. The Land Regulations confer expressed powers on the Council and the Council can do much under what are generally termed its police powers. As members are aware it is proposed at the forthcoming Special Meeting to seek authority for the licensing of factories; this question has been the subject of considerable study during the past two years and he considers that the proposal to license hospitals requires equally serious consideration in all its aspects prior to bringing it before the Ratepayers. Whilst he is not opposed to measures being devised for the control of hospitals he considers it more appropriate that this should be done by the means of a Municipal Ordinance than by an amendment of the bye-law governing licensing. Even this means of control would require very careful consideration as to the Council's powers and the regulations which the Council proposed to promulgate for such control. Should any hospital become a public danger the Council could at present deal with it under its police powers. He does not however consider that the position of the hospitals is so acute as to render it necessary to take action at the forthcoming Special Meeting.

Mr. Leslie states that whilst he agrees with the Secretary General that action as recommended should not be taken this year he desires to point out that the Hospitals Commission and the Commissioner of Public Health regard the registration of hospitals as of first importance. He therefore expresses the hope that consideration of this question will not be deferred indefinitely.

After brief discussion and in agreeing that no action be taken in connection with the forthcoming Special Meeting of Ratepayers the Chairman's proposal is adopted that this question be commended to the incoming Council for its earnest consideration as to the best means of securing the desired control of Hospitals and kindred institutions.

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

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

F6/7 Chairmanship of Annual and Special Meetings of Ratepayers. - In a memorandum submitted the Secretary states that in recent years the Annual Meeting has been presided over by a ratepayer other than a member of the Consular Body or the Senior Consul. With regard to the Special Meeting, however, Land Regulation XV provides that the Senior Consul present shall take the Chair. As however he understands from the Secretary General that the Senior Consul prefers not to take the Chair he suggests that consideration be given to the nomination of a Chairman of both meetings from outside the Consular Body. The Secretary adds that in 1930, 1931 and 1932 the Chair was taken by Mr. A. W. Burkill.

After brief discussion it is

RESOLVED that Mr. A. W. Burkill be requested to take the Chair at both the Annual and Special Meetings of Ratepayers.

C11/2 General Hospital - Board of Governors.

RESOLVED that Drs. A. C. Bryson and T. B. Dunn and Messrs. P. W. Massey and F. J. Haven be nominated at the forthcoming Annual Meeting of Ratepayers for re-election to the Board of Governors of the General Hospital.

3511 Mr. E. L. Allen - Special Gratuity on Retirement. - In support of the recommendation advanced by Mr. Clear that some special grant be made to Mr. E. L. Allen upon his retirement the Treasurer & Controller proposes that he be awarded a special gratuity of £1s. 8,000 upon retirement on March 31 next.

The Chairman states that whilst he fully appreciates the long and valuable services rendered by Mr. Allen, he does not consider there are sufficient grounds for making an exception in the matter of retirement benefits. Mr. Allen's services have been retained for five years beyond the normal compulsory retiring age and this in itself constitutes a concession on the part of the Council. Moreover he considers that if special treatment is accorded in this case the Council will find difficulty in refusing similar treatment in other cases of exceptionally meritorious service.

After brief discussion and having regard to the fact that a somewhat similar recommendation was recently negatived in the case of Mr. W. E. Sauer it is

RESOLVED that the recommendation that Mr. Allen upon retirement be granted a special gratuity be disapproved and that a letter conveying the Council's appreciation of his long and valuable services be addressed to him.

F3/2 F6/1
Amendment of Bye-law XXXIV and Land Regulation XVIII. - The amendments proposed by the Secretary to Byelaw XXXIV to provide for the licensing of factories and to Land Regulation XVIII in order to modernise to some extent the procedure for polling are approved for submission to the Ratepayers at the forthcoming Special Meeting.

F3/4
Factory Explosion in Tongsan Road. - In connection with the report which has been drawn up by various departments on this recent explosion and which it is intended to publish the Chairman states that this afternoon a letter has been received from a representative of a foreign Insurance Company who apparently is aware of the Council's intention to the effect that publication of the report may be prejudicial to certain litigation between the insured and the Company covering the risk. As a public authority he does not consider the Council should withhold publication of this Report. In the public interest he considers it to be the Council's duty to publish this report in order that the Public may be aware that it is doing its utmost to investigate the cause of this explosion and to guard against a recurrence.

The Secretary General states that this report would not constitute evidence in a Court of Law nor would it prejudice any case taken to such Court.

After brief discussion it is

RESOLVED to adhere to the decision to publish this Report.

KY/2
Greyhound Racing Case against Council. - The Secretary reports that a Bill of Cost has today been received from Messrs. Hansons for the second portion of their services for the Council in connection with the action brought against Brig.-Gen. Macnaghten and Mr. Martin. A previous account amounting to about Tls.16,000 was paid some months ago for their services in connection with the first part of this case, when application was made for the striking out of pleadings. The present Bill of Costs covers the period from the beginning of 1932 to the recent conclusion of the case. This Bill amounts to Tls.30,000 from which must be deducted the amount of taxed costs payable by the Plaintiff Company which will amount to some Tls.15/16,000. The cost to the Council is thus approximately Tls.15,000 plus an additional charge of about Tls.1,000 for verbatim copies of reports. Inclusive of the Bill of Costs already paid the total expense incurred by the Council is approximately Tls.31/32,000.

In view of the importance to the Council of securing a favourable decision in this case and the amount of work undertaken on its behalf by Messrs. Hansons, members regard the amount of this latter Bill of Costs as moderate.

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RESOLVED that payment of the Bill of Costs received
from Messrs. Hansons be authorized.

The meeting terminates at 7.05 p.m.

W. A. Hill

Chairman.

J. B. Jones
Secretary.

At the meeting of the Council held on Wednesday, April 12, 1933, 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
 Yu Ya Ching
 The Treasurer & Controller,
 The Secretary General, and
 The Secretary.

Absent:

Messrs. T. Funatsu
 T. D. Woo
 L. T. Yuan.

Messrs. E. F. Harris } Councillors-elect for the Municipal
 C. S. Franklin } Year 1933/4 attend.

Membership. - On behalf of the Council the Chairman extends a cordial welcome
 FS/12 to Messrs. C. S. Franklin and E. F. Harris and invites their comments on
 the speeches which will be delivered at the forthcoming Annual and
 Special Meetings in support of the various resolutions.

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

§149 Outside Roads Negotiations. - The Secretary General reports that since
 the last meeting Mr. O. K. Yui invited the Secretary, the Treasurer &
 Controller and himself for a further discussion on certain of these
 outstanding points. Messrs. J. K. Choy and Paul Hsu were also present
 at this conference. In the course of this discussion it transpired that
 the Chinese authorities were not prepared to proceed in negotiating this
 agreement in its present form owing to the complications introduced by
 the proposals of the Japanese Consul General on the question of policing.
 The Chinese Authorities consider it to be impossible for them to reach
 any agreement on this point which will be satisfactory to both the
 Chinese and Japanese Authorities. They therefore suggested that this
 disputed point be left in abeyance for the time being and that a new
 agreement be negotiated embodying all the remaining points covered by
 the present draft agreement. They consider that if mutual agreement
 can be reached on these outstanding points a settlement of the question

regarding policing may ultimately be facilitated. In a private conversation Mr. Yui informed him that it was impossible for the Chinese Authorities to consider any proposal involving the functioning of Japanese police on these roads. It is obvious that the Chinese Authorities desire to reach an agreement on all outstanding points excluding that relating to policing since they feel that by this course arrangements can be made to avoid further friction in the matter of the policing of the outside roads. He therefore considers that progress will be made if he is authorized to continue these negotiations on the lines suggested by Mr. Yui.

The Chairman observes that hitherto the Chinese Authorities opposed the continuation of these negotiations generally until a settlement had been reached in the matter of policing. He therefore supports the Secretary General's proposal.

The Treasurer & Controller states that he understands that the Chinese Authorities desire certain adjustments in the financial arrangements of the draft agreement and this aspect together with that of the position of public utilities etc., would be the subject of further negotiation.

After discussion and in agreeing as to the desirability of keeping these negotiations open the Secretary General is authorized to continue them on the lines suggested by Mr. Yui.

163 Waterworks Company - General Metering. - The Treasurer & Controller reports that the proposals put forward at the last meeting have been accepted by the Company and that the relative schedule of charges has today been returned to the Secretary for transmission to the Company. This can now be published. In respect to the Board of Reference to be established the Company appreciates that in the event of the Board being unable to solve any particular difficulty which may arise to the satisfaction of all parties concerned the Council will assume the position of final arbiter.

164 Shanghai Telephone Company - Agreement for Conduct of Service on Outside Roads.

The Secretary reports that the minor difficulty between the French Council and the Company, referred to at the last meeting has been satisfactorily settled thus assuring complete agreement between the three parties. Within the last few days however the Chinese Government Telephone Administration intimated its intention to increase the charges for telephones on outside roads to nearly double the figure already agreed. This proposal would materially affect the amount to be charged to the tariff revision in 1935 and would require reconsideration by both Councils. As a result of an immediate protest made to the Administration the Company was informed that for the present the Chinese Government Telephone Administration would adhere to the charges inserted in the original agreement. This reply was not considered satisfactory and the Administration has been requested to state specifically in writing that for the duration of the temporary agreement it would agree to the retention of the agreed charges. No reply to this request has yet been received from the

Administration but it is hoped that this will be received within the next day or two in anticipation of which preparations are being made for the agreement to be signed on Saturday.

Feb: Annual and Special Meetings of Ratepayers. - The Chairman states a suggestion has been made that prior to the commencement of the Annual Meeting the Municipal Orchestra should render a short programme of popular music. He therefore requests members' views on this proposal.

After brief discussion and in agreeing that the advertisement obtained by this performance will be beneficial to the Orchestra it is

RESOLVED that a performance of popular music by the Municipal Orchestra between 3.30 and 3.50 p.m., on April 19 at the Grand Theatre be authorized.

C11/2 General Hospital - Board of Governors. - As Dr. T. B. Dunn is absent from Shanghai it is

RESOLVED that Dr. W. K. Nance be nominated at the forthcoming Annual Meeting of Ratepayers for election to the Board of Governors of the General Hospital.

Feb: Amendment to Bye-Law XXXIV. - In connection with the discussion at the last meeting Mr. Hsu states that he desires his view recorded that whilst he did not question the desirability of the regulation of factories the means by which this should be given effect required the most careful consideration. He recalls that in reply to his question the Secretary General stated that as a result of negotiations agreement had been reached with the Chinese Authorities in this matter. A letter has today been addressed to the Chairman signed by the Chinese Councillors amplifying the views expressed by him at the last meeting and referring to the statement of the Mayor published in the press to the effect that no understanding has been reached between the two Authorities. Following the last meeting of Council the Secretary General showed him the Minutes of two meetings held in 1931 which were attended by representatives of the Chinese Authorities including the Minister of Industries, of the Council, the Municipality of Greater Shanghai and the French Concession. Mr. Yui has informed him that he regarded the Minutes of these meetings as unofficial.

In this respect the Secretary General states that as a result of protracted meetings in 1931 and at the request of the Minister of Industries two meetings took place attended by the representatives named by Mr. Hsu. The Minutes of these meetings embodying the arrangements which were agreed were drafted by the Chinese representatives. Although these meetings may be regarded as informal, subsequently as a result of this question being officially discussed by the Council it was decided to proceed in the matter of securing an amendment to Bye-law XXXIV. No exception was taken by the Chinese members to this decision. Recently Mr. Yui informed him that he had no knowledge of these informal meetings although as before stated they were

attended by representatives of the Municipality of Greater Shanghai. He supplied him with a copy of the Minutes of these meetings and also a copy of M. Pone's report to Geneva. He was not aware until recently that the Chinese officials objected to the Council endeavouring to establish some form of factory control and a renewed assurance has been given to Mr. Yui of the Council's sincere desire to co-operate with the Chinese Authorities in this matter in order that the regulations adopted and enforced in the Settlement conform as far as possible with those operating in Chinese territory.

Replying to the Chairman as to whether the intention of the letter today submitted by the Chinese members is that the proposal to secure the authority of the Ratepayers at the Special Meeting should be abandoned Mr. Hsu states that he desires to dissociate himself from this resolution on the ground that serious difficulties will arise unless arrangements are concluded with the Chinese Authorities which will ensure their co-operation.

The Vice-Chairman points out that unless the required legislation is obtained at the forthcoming Special meeting action must be deferred for a further year. He suggests that the Chairman in the speech moving this resolution should emphasize that negotiations will take place with the Chinese Authorities prior to such legislation being given effect.

Mr. Hsu is of opinion that the Council's proposal to licence factories may be criticized as an infringement of the Chinese Factory Law which is a part of the Chinese National Law. He expresses doubt as to whether the Council as a Municipal body can promulgate regulations which may be construed as an infringement of Chinese Law.

The Secretary General states that he has no doubt as to the Council's power in this respect. The view obtains in certain quarters that the National Government has the sole right to exercise certain functions within the Settlement. Should the Council admit that contention its administrative powers within the Settlement would cease. From a legal point of view no doubt exists that the Council under what are generally termed as its police powers has the right to promulgate and enforce regulations which are in the interests of the welfare of the community irrespective of whether or not similar regulations are enforced by the National Government. The various Courts in the Settlement have repeatedly upheld this contention, thus recognizing the Council's right to certain police powers in conformity with the principle obtaining in municipalities throughout the World. In conclusion he submits that if the Chinese Authorities reciprocate the Council's desire to co-operate no friction should arise in connection with the enforcement of the proposed regulations.

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

Annual and Special Meetings of Ratepayers. - The Chairman reads in the order in which they will be delivered the speeches relative to the various resolutions. Subject to minor amendments these are approved.

Resolution IV. - With regard to the reference in the speech moving this resolution to the expenditure on education the Vice-Chairman submits a memorandum in which he suggests that the time has arrived when the Council should definitely consider earmarking a proportion of its revenue for this purpose and restrict expenditure thereon to that proportion. Despite the lucid expositions regularly given by the Chairman at each Council meeting on the policy of the Education Board he does not consider that the Council as a body is capable of dealing with this complex problem and he fears that in the absence of a definite policy in the near future in the matter of expenditure under this heading the Council may become so deeply involved that it will be impossible to call a halt to ever increasing expenditure. In his opinion the Council should consider the setting aside of a definite sum for purposes of Education; this amount to be administered by the Education Board as Trustee for the Council. The primary purpose of his memorandum is to advocate that the financial aspect of the educational programme should be clearly brought home to the Ratepayers since in his opinion the policy laid down in 1930 will on financial grounds require drastic revision in the near future.

The Chairman states that in addition to the reference to education which appears in his preliminary remarks a further reference is included in paragraph 4 of his speech moving Resolution IV. Mr. Arnhold states that at the time he wrote his memorandum he had not been furnished with this section of the speech and that this latter reference meets his point that the Ratepayers should be made aware of the possible necessity in the near future of reviewing the whole subject of education policy and costs.

In respect to the notice which has been received that a Resolution will be moved by Mr. A. J. Hughes authorizing the Council to purchase at the first favourable opportunity an area of land sufficient to provide for the erection of a City Hall etc., the Chairman states that he appreciates that this is a somewhat difficult subject to discuss since a number of members are personally interested in the Land which is obviously involved by this Resolution.

Speaking in his personal capacity the Chairman states that he is opposed to this resolution and he requests authority to speak against it at the Annual Meeting. Members will recall that a somewhat similar

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proposition was negatived in 1931 and he adheres to his opinion that the provision of a civic centre would benefit only a very small proportion of the community. Moreover he submits that the money required for the purchase of such a site could be more advantageously utilized in the provision of parks in the more congested districts. Furthermore upon the demolition of the Central Police and Fire Stations an ample area of land will become available for the erection of a Town Hall to seat 2500 persons if subsequently this provision is regarded as necessary.

After brief discussion the Chairman's proposal is adopted that he should oppose this resolution, it being appreciated that any member in his individual capacity may if he so desires speak in support of the Resolution.

F/S/R
Membership. - The Chairman alludes to the fact that this is the last meeting which Captain Bahnon, Mr. Beith, Mr. Leslie and Mr. Lieu will attend. In expressing extreme regret that those members have not been able to stand for re-election he refers in the most appreciative terms to the outstanding services rendered by each of them in their individual capacities both on the Council and on its Committees. On behalf of those members who will continue to serve on the Council for the forthcoming Municipal year he thanks the retiring members for their services which have been so unstintingly rendered in the interests of the community.

The meeting terminates at 7 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Thursday, April 20, 1933, at

12 o'clock noon there are:-

Present:

Messrs. H. E. Arnhold

A. D. Bell

C. S. Franklin

T. Funatsu

E. F. Harris

S. L. Hsu

Brig.-Gen. E. B. Macnaghten

Messrs. P. W. Massey

O. Okamoto

F. J. Raven

L. T. Yuan

Yu Ya Ching

The Secretary General, and

The Secretary.

Absent:

Messrs. Tsuyee Pei

T. D. Woo.

Election of Chairman. - Upon the proposal of Mr. Arnhold, seconded by
F5/14 Mr. Yuan, Mr. A. D. Bell is unanimously re-elected Chairman.

Election of Vice-Chairman. - Upon the proposal of the Chairman, seconded
F5/14 by Mr. Okamoto, Mr. H. E. Arnhold is unanimously re-elected Vice-Chairman.

Committee Membership. - The Chairman states that a list of the Committees
F4/6 for the current Municipal Year is being prepared and will be circulated within the course of the next few days. He requests members to notify on the circular any changes they desire in the suggested list as also to intimate whether they are prepared to serve on any Committee other than those for which their names have been proposed.

The meeting terminates at 12.10 p.m.

Handwritten signature of Chairman

Chairman.

Handwritten signature of Secretary
Secretary.

At the meeting of the Council held on Wednesday, April 26, 1933, at 4.30 p.m.

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 C. S. Franklin
 T. Funatsu
 E. P. Harris
 S. I. Hsu
 Brig.-Gen. E. B. Macnaghten
 Messrs. P. W. Massey
 O. Okamoto
 F. J. Raven
 L. T. Yuan
 Yu Ya Ching
 The Secretary General,
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. Tsuyee Pei
 T. D. Woo.

The Minutes of the meeting of April 12 are confirmed, and signed by the
 Chairman.

5129 Outside Roads Negotiations. - The Secretary General reports that since
 the meeting of April 12 there has been a preliminary discussion between
 the Treasurer and Mr. J. K. Choy on financial points. The alterations
 to the present draft agreement desired by Mr. Choy are not very material,
 and there are good prospects of putting it through with only minor
 changes. The Chairman requests the Council's authority for himself and
 the Vice-Chairman to keep in close touch with the Secretary General and
 the other officers of the Council during the next few weeks while
 negotiations are in progress, and this is accorded.

2045 Shanghai Telephone Company - Agreement for Conduct of Service on Outside
 Roads. - The Chairman observes that an agreement on this matter has now
 been signed.

The Minutes of the meeting of April 20 are confirmed, and signed by the
 Chairman.

The Minutes of the Works Committee of April 11 are submitted, and subject
 to the following observations and reservations are confirmed.

28/5 Nanking Road, Cad. Lot 617 - Sun Company Departmental Store. - The
 Chairman states that Mr. Beith, a late member of the Committee, left a
 note to the effect that, according to his interpretation of what was
 decided upon, the owners of the property should be called upon to

provide the necessary private parking space in the event of a portion of the lot being developed with residential quarters. The Chairman remarks that a resolution in this form would make the contingent provision of parking space an absolute condition for granting permission to erect a building on this lot to a height, excluding towers, etc., of 109 feet, whereas the recommendation as it stands only requires that negotiations be entered into to provide such parking space in the event of a hotel being erected on a portion of the site. In his opinion a departmental store, as projected, does not to the same extent require private parking space; but if it is desired later to develop part of the property with residential flats the Council will be able to make appropriate conditions before approving the plans. He adds that the Commissioner of Public Works does not think the provision of private parking space is essential even for hotels, and it has not been insisted on for other hotels. After some discussion members agree that the conditions proposed in the Works Committee minute are equitable.

L4/18 Foochow Road and the Bund Widening - Cad. Lot 49. - Referring to the tardy application of Messrs. Hansons for compensation for land expropriated for road widening in 1924, the Chairman alludes to the recorded statement of the Commissioner of Public Works that there appears to be no Statute of Limitation in China. He observes that it is an extraordinary thing that a claim should be deferred for nine years. Mr. Franklin is of the opinion that the owners are not entitled to any payment whatever, and if the firm is British the Court of Consuls might consider the claim barred by the English Statute of Limitation. Mr. Okamoto while agreeing with Mr. Franklin on the technical point is in favour of offering compensation on the basis of the 1924 valuation without addition of interest. Mr. Massey suggests that as a quid pro quo in awarding compensation the Council might claim the hitherto contested privilege of erecting on the Bund fronting this property a ricksha shelter and a public lavatory, both of decent appearance. On the suggestion of the Chairman the matter is referred back to the Works Committee for further enquiries and reconsideration.

F4/6 Appointment of Committees. - The Secretary states that the constitution of Committees, as circulated to members, has received general approval, subject to the addition of Brig.-Gen. E. B. Macnaghten to the Library Committee and Mr. C. S. Franklin to the Watch Committee. *F4/14* *F4/7* It remains only to obtain the consent of two or three persons, not members of Council, to serve on the Committees for which they have been proposed.

F4/4 Replying to Brig.-Gen. Macnaghten the Chairman states that the Education Board is the only Committee whose members are in receipt of honoraria. The Secretary states that such payments were authorized as a

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means of securing the services of professionally qualified persons and as remuneration for exceptionally onerous duties. The Deputy Secretary adds that the arrangement was made on the recommendation of Mr. A. C. Clear, who had been appointed to assist the Council in giving effect to the findings of the Economy Committee.

Upon Brig.-Gen. Macnaghten suggesting that it should not be necessary to continue these exceptional payments the Chairman proposes, and members concur, that a statement of the circumstances under which they were instituted be prepared for the Council's information.

FJ/R
Licensing of Factories. - The Chairman states that he has addressed a letter to the Senior Consul, requesting the consent of the Consular Body and the Ministers of Foreign Treaty Powers to the enforcement of the amendment to Bye-Law XXXIV passed at the Special Meeting of Ratepayers. Meanwhile preparations are being made for the introduction of factory licences and steps will be taken towards securing the co-operation of the authorities in areas adjoining the Settlement.

KS/P
Police Intelligence Reports. - In response to a complaint by Brig.-Gen. Macnaghten the Chairman requests that the Intelligence Reports issued by the Police in roneo form for circulation to members be made more legible in future.

3/18/33
Health Department - illness of Dr. Duck. - Replying to an enquiry by Brig.-Gen. Macnaghten the Chairman states that Dr. Duck's condition is improving, but that Dr. Jordan does not seem disposed to proceed on his deferred long leave until satisfactory arrangements for the conduct of his Department are completed. The Secretary adds that Dr. Jordan hopes to get away before the end of the Summer, and that the matter is being brought before the appropriate Committee.

2/11/34
Municipal Gazette. - Referring to pages 221, 222 and 225 of the proofs of the Gazette for April 28, Brig.-Gen. Macnaghten suggests that the present popularity of the Municipal parks makes it desirable to increase the cost of annual admission tickets from \$1 to say \$2. As an alternative the Chairman suggests that an increase in the single admission charge of 20 cents might be made. As however the season ends on May 31, and tickets have been printed for issue to the public, the view prevails that no change should be made at present. The question of raising the charges at a later date is referred to the Works Committee for consideration.

LYK
Mr. Franklin enquires whether it is necessary to report the Land Commission proceedings at such great length in the Gazette. The Secretary replies that some readers wish to have the reports in full for purpose of record, and also that the relative correspondence, which was formerly published in full, is now usually omitted. Members are

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generally in favour of some change in style, but particularly in the direction of a more concise presentation of the facts.

After further discussion it is suggested that the Secretary of the Land Commission might be approached with a view to his rendering this report in a manner more concise and better adapted to publication in the Gazette.

The meeting terminates at 5.45 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Thursday, May 11, 1933, at 4.30 p.m.,

There are:-

Present:

Messrs. A. D. Bell (Chairman)

H. E. Arnhold (Vice-Chairman)

C. S. Franklin

E. F. Harris

S. L. Hsu

Brig.-Gen. E. B. Macnaghten

Messrs. P. W. Massey

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Secretary General,

The Secretary, and

Dr. J. C. H. Wu.

Absent:

Messrs. T. Funatsu

Tauyee Pei.

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

5129 Outside Roads Negotiations. - The Secretary General reports that another preliminary discussion has taken place between the Treasurer and Mr. J.K. Choy on financial points. The result of these discussions are to be put in writing and communicated to the Chairman and Vice-Chairman tomorrow morning.

F3/2 Licensing of Factories. - Replying to the Chairman the Secretary General states that he accepted the invitation of the Consular Body to attend one of their meetings for discussion of the Council's policy regarding factory inspection. Further, he has arranged to attend a meeting tomorrow to discuss the same matter with Mr. O. K. Yui, who hopes that a representative of the Nanking Government will be present. Miss Hinder may also attend. Mr. Yui has expressed the desire that the preliminary conferences should be limited to as few persons as possible. The indications are that these conferences will be conducted in a friendly, co-operative spirit.

27/2 Land Commission Reports. - Replying to the Chairman the Secretary states that he has taken up the question of Land Commission reports, conversationally and by letter, with Mr. Long, who has referred the matter to the Land Commissioners. The latter are strongly of the opinion that the reports should contain full statements of the proceedings. At the same time Mr. Long is willing to comply with the Council's desire that the reports should be rendered in a concise form more suitable for publication, and

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May 11, 1933

has undertaken to confer thereon with himself and the Press Information Officer before the next session of the Land Commission.

Members express their satisfaction with this arrangement.

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

The Minutes of the meeting of the Library Committee of May 5 are submitted and confirmed.

Board of Education - Honoraria. - Brig.-Gen. E. B. Macnaghten observes that ^{F4/c} although, as stated in the memorandum distributed to members, he was Chairman of Council in 1930 when the Education Board was inaugurated and honoraria granted to its members he considered that the subject might now be reviewed. He raises the point as a question of principle but apart from getting members' views he does not wish to press for a revision.

The Chairman states that more than one member of the Board would be willing to waive the honorarium but for the embarrassment which might be caused to other members who could not so easily afford to give their services free. Mr. Yuan confirms that view. Members express the view that the particularly onerous duties performed by members of the Education Board justify the honoraria and that some members might not otherwise be able to devote so much time and attention to the work.

It is thereupon agreed that no change be made in the present procedure.

^{R5/16} Park Land. - The Chairman states that at Tuesday's meeting of the Works Committee a report was submitted by the Commissioner of Public Works on a piece of land in the Eastern District, measuring 40 or 50 mow, eminently suitable for a public park, which he understood was being offered for sale. The Treasurer & Controller raised no objection to its purchase by the Council, and the Committee was in favour of acquiring the entire area for a park. Owing to the involved ownership of the property it is unlikely that a firm offer can be obtained, and as prompt action is necessary if the land is to be purchased at a moderate price authority is requested for the Commissioner of Public Works to make a firm offer to the owners on behalf of the Council.

Members agree to this course and it is

RESOLVED that the Commissioner of Public Works be authorized to make a firm offer for the area in question.

The meeting terminates at 5.05 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, May 24, 1933, at 4 p.m.

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 C. S. Franklin
 E. F. Harris
 Brig.-Gen. E. B. Macnaghten
 Messrs. P. W. Massey
 O. Okamoto
 W. J. Raven
 T. D. Woo
 L. T. Yuan
 The Secretary General
 The Treasurer & Controller, and
 The Secretary.

Absent:

Messrs. T. Funatsu
 S. L. Hsu
 Tsuyee Pei
 Yu Ya Ching.

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

S/R Outside Roads Negotiations. - Replying to the Chairman the Secretary General states that there are no developments to record. The negotiations have been delayed owing to the political situation.

F/R Licensing of Factories. - The Secretary General states that the Senior Consul on behalf of all the Consuls has replied to General Wu's protest on all points, and that his letter has been submitted to and agreed by the Ministers of the Foreign Treaty Powers. The Secretary General has arranged to meet Mr. O. K. Yui to-morrow for a further discussion of this matter.

S/R Park Land. - The Chairman states that there has been a hitch in the negotiations for the purchase of park land in the Eastern District owing to the reluctance of one of the owners to sell his property. Further negotiations are in the hands of the Commissioner of Public Works.

The Minutes of the meeting of the Works Committee of May 9, are submitted and confirmed.

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

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

The Minutes of the meeting of the Finance Committee of May 19 are submitted and confirmed.

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May 24, 1933.

Royal Asiatic Society - Council's Nominee for Governing Body. - A letter has
FS/17 been received from the Council of the Royal Asiatic Society suggesting
that Mr. A. J. Hughes be re-nominated by the Municipal Council to serve
on the Society's governing body for the year 1933-4.

On the Chairman's proposal it is

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 1933-4.

Obstructions on Footpaths. - Mr. Raven states that Nanking Road is still
obstructed by sunblinds, etc., and the Chairman requests that the matter
be brought to the notice of the Department concerned.

Municipal Gazette. - Mr. Harris suggests and members concur in the suggestion
FR17 that when there is spare space in the Gazette not required for other
purposes, it might be used for a display advertisement of the Municipal
Concert for the following Sunday.

The meeting terminates at 4.25 p.m.



Chairman.



Secretary.

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June 7, 1933.

At the meeting of the Council held on Wednesday, June 7, 1933, at 4.30 p.m.,

there are:-

Present:

Messrs. A. D. Bell (Chairman)
H. E. Arnhold (Vice-Chairman)
C. S. Franklin
E. F. Harris
S. L. Hsu
Brig.-Gen. E. B. Macnaghten
Messrs. P. W. Massey
O. Okamoto
F. J. Raven
T. D. Woo
L. T. Yuan
Yu Ya Ching
The Secretary General
The Treasurer & Controller
The Secretary, and
Dr. J. C. H. Wu.

Absent:

Messrs. T. Funatsu
Tsuye Pei.

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

5/29 Outside Roads Negotiations. - Replying to the Chairman the Secretary General states that he learns from Mr. J. K. Choy that the Nanking Government is so much occupied over the political situation that no progress has been possible.

FJ/2 Licensing of Factories. - The Secretary General states that he has had two or three conferences with Mr. O. K. Yui on the subject of factory inspection, as the result of which it may be possible to reach a settlement on the lines of the Bone agreement of 1931. He points out that neither he nor Mr. Yui has power to make anything in the nature of a binding agreement, but it is hoped to produce a scheme for submission to both parties. He thinks it may be possible for the Council to agree to the admission of trained Chinese inspectors into Settlement factories.

R8/8 Obstructions on Footpaths. - The Chairman states that this question has been brought to the attention of the Commissioners of Police and Public Works.

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

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

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June 7, 1933.

The Minutes of the meeting of the Works Committee of May 30 are submitted and confirmed, with one modification as follows:-

M/10 Economic Transport Co. - Tender for Supply of Motor Trucks. - Brig.-Gen. Macnaghten states that the Shanghai Trucking & Storage Co. has since withdrawn its tender which, being the lowest submitted, was recommended for acceptance. The Secretary states that the withdrawal is attributed to circumstances beyond the control of the tenderer, and the Departments concerned have recommended the acceptance of the Economic Transport Co.'s tender which is now the lowest. This course is approved.

The Minutes of the meeting of the Education Board of May 31 are submitted and confirmed, subject to the following variations:-

A/14/3 School Medical Inspection. - Mr. Raven states that his experience elsewhere is that the voluntary inspection of school children by a group of specialists for the information of the School Board and the parents is very helpful. The Chairman refers to the suggestion of the Commissioner of Public Health that Dr. Engel's proposal might be put before the Medical Practitioners' Association with an enquiry whether they would be willing to undertake and organize the work. The Chairman suggests that the matter might be reconsidered from this point of view by the Commissioner of Public Health and the Education Board, and it is decided that this be done.

A/6/4 Western District Primary School - Mrs. Lilian En-tse Cheng. - The Chairman states that he was opposed to the engagement of a married woman with a small child, and Mr. Massey concurs, though he realizes the difficulty of staffing the schools entirely with unmarried women. It is stated that the Staff Committee wishes to discuss this item in meeting. Confirmation is accordingly deferred.

A/7/8 Appointment of Chinese to Positions under the Council. - A letter is submitted from four Chinese members of Council, referring to the Chairman's remarks at the Ratepayers' Meeting in 1931 on the Report of the Salaries Commission in which he stated that "the Commission's recommendations for opening up the service to Chinese in positions of greater responsibility have received the Council's sympathetic consideration and in future, prior to the engagement of any foreign employee, the Council requires to be satisfied that the appointment cannot be filled by a Chinese." The writers, while appreciative of what has already been done in this direction, request the Council to give further consideration to the appointment of more Chinese to senior positions and in particular to the engagement of a Chinese auditor as desired by the Chinese ratepayers.

B/1/1
Replying to the Chairman the Treasurer & Controller states that he has no objection to the appointment of a Chinese auditor provided he is qualified on Western lines and of the appropriate standing. This

would entail some extra expense, but the appointee could be usefully employed in connexion with the continuous audit, and he understands that competent men are available. He undertakes to submit a report on this matter.

Regarding other Chinese appointments the Chairman observes that further reports from the Departments affected will be required for the Council's information. It will be necessary to know what progress has been made in the employment of Chinese employees and what increase may be expected in their number.

Replying to the Chairman Dr. Wu states that his report on the question of staff appointments for Chinese will be ready within a week.

After discussion it is

RESOLVED that the appointment of a Chinese auditor be approved in principle, and that reports on the subject of the letter from the Chinese members from the Departments concerned and Dr. J. C. H. Wu be obtained and submitted for discussion in detail by the appropriate Committees.

E2/Y
Municipal Gazette. - The Chairman refers to an advertisement of the Orchestra concerts prepared for the draft Gazette. The Secretary gives his view that the form of an advertisement is not consistent with the character of an official gazette and suggests that Mr. Harris's suggestion at the last meeting was interpreted to mean announcement.

The Press Information Officer states that it is often difficult or impossible to get the programmes from the Conductor in good time.

Members agree that spare spaces in the Gazette should be used for announcements which would harmonize with the rest of the publication, and the Press Information Officer is requested to give the matter his further attention.

E1/I
Municipal Concerts. - Referring to the question of Municipal concerts, and in reply to an enquiry by Mr. Messey, the Treasurer states that the financial results since the Orchestra began to use the Grand Theatre have been good, and he will submit a report thereon in due course.

The meeting terminates at 5.20 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, June 21, 1933, at 4.30 p.m.

there are:-

Present:

Messrs. A. D. Bell (Chairman)

C. S. Franklin

E. F. Harris

S. L. Hsu

Brig.-Gen. E. B. Macnaghten

Messrs. P. W. Massey

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching .

The Secretary General

The Treasurer & Controller

The Secretary, and

Dr. J. C. H. Wu.

Absent:

Messrs. H. E. Arnhold

T. Funatsu

Tsuyee Pei.

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

5129 Outside Roads Negotiations. - Replying to the Chairman the Secretary General states that no further progress has been made in this matter.

F3/2 Licensing of Factories. - The Secretary General, recapitulating the negotiations to date, states that some time after the Ratepayers' Meeting Mr. O. K. Yui invited him to discuss the subject of the licensing and control of factories without any thought of reaching an agreement which would be binding on the authorities concerned. Preliminary investigations had to be made by Miss Hinder.

The Secretary General states that he put forward for consideration by Mr. Yui the suggestion that the Chinese Authorities might consider the same principle of delegation of powers which was applied in the negotiations on the subject of the outside roads. Mr. Yui kept his memorandum for some time and then advised him that there was no possibility of the Nanking Government agreeing to it.

Another discussion was held on the lines of the Pone Agreement of 1931, the substance of which was that the Council might take into its employ a certain number of Chinese inspectors while retaining control of factories inside the Settlement. Mr. Yui however stated that there was

no chance of the Chinese Government agreeing to the exercise of such control by the Council. He wanted the Council to recognize the rights of inspection by the Chinese Government in the Settlement, though inspectors appointed by the Council might be employed. The Secretary General replied that there was no possibility of the Council accepting these terms; he further suggested that something in the nature of a joint inspection might be arranged.

Agreement on certain major points has now been reached, except on the one crucial point, the administrative control of the inspection of factories, as this appears to involve the principle of the maintenance of China's sovereign rights.

The suggestion has been made that if an agreement can be reached the inspection of factories might be placed under the control of a Board consisting of Mr. Yui and himself.

The Secretary General believes that an agreement so far as Mr. Yui is concerned is now possible, though the Nanking Government may not confirm the arrangements proposed by Mr. Yui. Mr. Yui hopes to get an answer from the Government on this matter before long, though the newspapers say that nothing will be done in this direction until the Chinese delegates at the Labour Conference at Geneva have finished their work.

Pending negotiations for the introduction of factory licences the Secretary General states that in his opinion the Council has full powers to deal with the very dangerous condition of certain factories, and he has submitted a memorandum thereon to the Chairman and the Vice-Chairman. It is proposed that action be taken by the Municipal Advocate's Department. Another recent fire at a rubber factory emphasizes the need for early action, and the owners of unsafe factories will be given three weeks in which to comply with the requirements of the Fire Brigade and the Public Works Department.

Replying to the Chairman he states that only two factories are affected, so far as is known, but that efforts are being made to locate any others which need immediate attention.

Replying to Mr. Raven the Secretary General states that, as in the case of the Outside Roads question, the Council is in no way committed by negotiations which have taken place on factory licensing, but he considers that such negotiations are essential if any progress is to be made. It is also necessary to obtain preliminary information regarding the condition of the factories, whereafter representatives of the two parties can proceed to draft regulations, based as far as possible on Chinese factory law, in the interests of the health and safety of the occupants of the buildings. Some information is being

collected now, but the work of framing regulations is hampered by the political aspect of the question, precluding any action which might be regarded as a breach of faith on the part of the Council.

Replying to Mr. Harris the Secretary General states that the Chinese authorities claim to be making inspections outside the Settlement, but he does not know to what extent they are being carried out.

The Secretary General, in agreeing with the Chairman that the engagement of competent inspectors for duty is of the utmost importance, states that the work requires a knowledge of the Chinese and English languages and special training in technical subjects. He is unable to say whether such trained inspectors are available for employment by either authority, but he has been informed that there are a few. There are also some men in the Fire Brigade and the Public Health Department who are qualified in this direction.

Replying to Mr. Hsu, the Secretary General states that such action as is contemplated will be taken mainly under the authority of Bye-law XXXV, which provides for the infliction of heavy penalties on persons carrying on dangerous or hazardous trades without a licence. He adds that he has informed Mr. Yui who does not take exception to the exercise of these powers by the Council.

NY/S
Appointment of Chinese to Positions under the Council. - The Chairman states that Dr. Wu has put in a memorandum on this subject. The Secretary states that most of the Departmental reports called for have been received, but that they have not yet been circulated to the Staff Committee.

Replying to the Chairman Dr. Wu states that he is quite willing for the section of his report relating to the appointment of Chinese to positions under the Council to be circulated.

E/H
Municipal Concerts. - Mr. Massey states that he is not altogether satisfied with the position disclosed by the Treasurer's statement on the financial returns on the Municipal symphony concerts, which with other information has been circulated to members. Large fees were paid to the soloists at five special concerts on the basis of gross receipts, and after deducting the rent of the theatre, but without allowing for sundry overhead expenses, there was a loss on all concerts but one. He considers that the subject might be discussed with advantage by the Orchestra & Band Committee.

The Treasurer & Controller states that so far as he was able to judge the results were satisfactory, though if all expenses were charged against the concerts they were bound to show a heavy loss. Replying to comments by the Chairman and members on the large numbers of complimentary tickets issued (ranging from 156 to 193 for the four

concerts in May) he states that this is in part accounted for by a ruling in 1927, in which year it is noted that about 50 free tickets were authorized for issue to persons in certain categories.

The Secretary quotes the opinion of the Conductor that the issue of free tickets by himself, in addition to season tickets for the Committee and the Press, was necessitated by the special character of these few concerts which were intended to popularize the concerts generally. He states that about 40% of these tickets went to the families and friends of members of the Orchestra, 20% to members of the Council and the Committee, 20% to the Press and 20% to artistes, theatrical people, programme sellers, etc.

The question of the issue of complimentary tickets and the general question of the financial returns from concerts are referred to the Orchestra & Band Committee for further consideration.

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

The Minutes of the meeting of the Health Committee of June 14 are submitted and confirmed.

The Minutes of the meeting of the Education Board of June 14 are submitted and confirmed.

A2/s

In the matter of Grants-in-Aid to Chinese Schools, 1933, the Chairman states that the inclusion in the Budget of a detailed statement of proposed grants, from which three obstetrical schools, inter alia, may have inferred that grants for the current year were assured to them, was in accordance with the Treasurer's policy of setting forth proposed expenditure in as full a form as possible. In the light of the discussion at the last meeting of the Education Board however it will be necessary to reconsider this policy in connexion with the next Budget.

B10/9

In the matter of Chinese Schools Administered by the Bureau of Education - Payment of Rates, the Chairman agrees with Mr. Raven that all schools, so far as possible, should be placed on the same footing, but several Chinese schools administered by the Bureau of Education of the Municipality of Greater Shanghai have been established for a long time, and the Education Board favours remission of rates on their premises in deference to the Chinese Educational Authorities who do not wish to apply to the Council for grants-in-aid.

Replying to Mr. Harris he states that the Board intends that exemption from payment of rates should be subject to compliance with the Council's sanitary requirements. The matter can be further considered after the Finance Committee has dealt with it. In any case it is desirable to avoid any acute controversy with the Bureau of Education.

C5/1
Country Hospital - Board of Governors. - Referring to the appointment in January last of Mr. T. Morioka to the Board of Governors of the Country Hospital, members are informed that he was due to retire on the day of the Annual Meeting of Ratepayers this year, but is eligible for re-election, and further that he is willing to continue in office if re-appointed.

On the proposal of the Chairman it is

RESOLVED that Mr. T. Morioka be re-appointed to membership of the Board of Governors of the Country Hospital as from the date of the Annual Meeting of Ratepayers, April 19, 1933.

M1/12
Students of the Central Political Institute of Nanking - Attachment to Council's Departments. - Members are informed that correspondence has been exchanged with Dr. Chia-Luen Lo, Director and Dean of the Central Political Institute, Nanking, concerning his suggestion to send a certain number of students to the Council to acquire practical experience in municipal administration. The matter has been discussed by the Heads of Departments, who are desirous of giving the scheme every assistance. The proposal now is that six graduates of the Institute, of good scholarship and character, after four years' training in different courses of municipal administration, should be attached in rotation to different Departments of the Council for a total period of four months, beginning from July 1 next. The students would be subject to the supervision and direction of the Heads of Departments. The Central Political Institute has agreed to pay each student \$30 per mensem for living expenses.

The Chairman expresses the opinion that it is very desirable to comply with this request as a means of showing the Council's good will towards the Institute. He understands that the Heads of Departments are perfectly willing to co-operate.

The Secretary states that the Institute has asked the Council to furnish, at the end of the four-months period, an opinion and critical comments on the results of each student's work. Replying to Mr. Harris, he states that the intention is for the trained students to take up municipal work in the provinces.

RESOLVED that the proposal for the attachment of students in the Central Political Institute, Nanking, to Municipal Departments for training be approved in accordance with the arrangements suggested by the Heads of Departments.

M1/3
Death of Mr. T. Maeda. - The Chairman alludes to the death on the previous day of Mr. T. Maeda, Manager of the Shanghai office of the South Manchuria Railway Co., who was nominated earlier in the year as a member of the Public Utilities Committee but was unable to take his seat thereon owing to ill health. The Chairman remarks that his death is a serious loss to the Japanese and the general community in Shanghai.

47/36 Amplifiers at Ratepayers' Meetings. - In reply to a question by Mr. Raven the Chairman states that an unsatisfactory amplifier, formerly used by the Council at Ratepayers' Meetings, has been sold by tender for \$750.

85/2 Mr. F. J. Raven - Absence. - Mr. Raven states that he expects to be absent from Shanghai during July and August, and is willing to resign his membership of the Council if necessary. As the Council will be in recess in August the Chairman expresses the desire that Mr. Raven should retain his membership, and with this members unanimously concur.

84/4 Waterworks Company's new issue of Preference Shares. - Mr. Harris states that adverse comment has been aroused by the recent issue by the Waterworks Company of preference shares when funds can be obtained in other ways for less than 6%.

He is informed that the issue had been approved on the recommendation of the Public Utilities Committee and that full information would be given to him on reference to the Treasurer & Controller or by a report from the Secretary.

The meeting terminates at 5.40 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, July 5, 1933, at 4.30 p.m.

Members Present:-

Present:

Messrs. A. D. Beall (Chairman)
 H. L. Arnhold (Vice-Chairman)
 C. B. Franklin
 E. F. Harris
 C. L. Hsu
 Brig.-Gen. E. E. Macaughton
 Messrs. F. W. Massey
 C. Okamoto
 T. D. Woo
 L. T. Yuan
 Yu Yu Ching
 The Secretary General
 The Treasurer & Controller
 The Deputy Secretary, and
 Dr. J. C. K. Wu.

Absent:

Messrs. T. Funatsu
 F. J. Raven
 Tsuyee Pei.

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

FJR

Licensing of Factories. - Replying to the Chairman, the Secretary General states that he has had another discussion regarding the licensing of factories with Mr. C. H. Kwei, and has since obtained from him a written Memorandum setting forth certain proposals by the Hanking Government. He has not had time to give them proper consideration, but there is a possibility of agreement as to a joint inspectorate of factories, and it is expected that the matter will be submitted to the Council at its next meeting.

M/R

Students of the Central Political Institute of Nanking - Attachment to Council's Departments. - The Chairman states that the six Chinese students have arrived from Nanking and are being given preliminary instruction in the Secretariat on Council procedure, after which they will start on a round of the other Departments, probably in two parties of three students each.

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

H/S/470

Rifle Range Security. - Replying to Members' enquiries, Mr. Massey states that the Committee did not consider the question of the nationality of the Range Warden whom it is proposed to engage, or discuss the procedure which should be followed. He is in favour of advertising the

position, but is of opinion that the matter should be placed before the Staff Committee before any further action is taken. The Treasurer & Controller states that the Commandant will make a recommendation in due course.

Members agree that it would be best to advertise the position, and the matter is referred to the Staff Committee for the necessary consideration.

The minutes of the meeting of the Works Committee of June 27 are submitted and confirmed.

MS/S
In the matter of Illustrated Booklet on Municipal Activities, Brig.-Gen. Macnaughten, replying to a question by Mr. Massey, states that the Committee did not contemplate a bilingual production, but the point is undoubtedly important. Since the publication is intended for the information of residents, and as the Press Information Officer states that the letter press will be brief, it is decided to print the letter in Chinese as well as in English. The Chairman expresses the opinion that the book will be of tremendous interest to residents and have a definite historical value. The Press Information Officer adds that it can also be sent to other municipalities and to the League of Nations. He recommends that ratepayers be informed by advertisement that free copies will be reserved for them if they apply in advance, and that other copies be sold. Members approve this course, but a further suggestion that free copies might be distributed at the Annual Meeting of Ratepayers is deferred for future consideration.

LS/R
In the matter of Victoria Hospital Home and Country Hospital - Additional Land, a letter is submitted from Mr. Harris, enquiring what is the assessed value of Mr. Anderson's property for which it is recommended that an offer of Tls.197,000 be made, if there is an assessed value, and what is the total amount of rates and taxes at present being paid thereon.

The Chairman explains that there is no assessment on property outside Settlement limits for rates or taxes, but that Special Municipal Rate is levied on a voluntary basis. In this case there is a nominal rental valuation of Tls.110 per annum. It has not been the practice in recent years to increase the valuation of such properties, nor has there been any attempt to raise the valuation of Mr. Anderson's property by agreement.

The Treasurer states that the Council has no power to enforce payment of rates outside Settlement limits except in connexion with public utility contracts. Replying to a question by Mr. Harris as to whether the value of land is taken into account when assessing properties for the purpose of Municipal rates, the Treasurer states that an important principle is involved, and that the question of deciding the method

of assessing land other than the portion occupied by buildings has already received preliminary consideration by the Finance Committee and the Council, and will again be brought up for further consideration in the near future. If the opportunity arises of raising the valuation of properties outside Settlement limits for taxation purposes it will be taken. If, for example, it became known that Mr. Anderson's property was being let for, say Tls.400 per mensem, the Council would no longer be satisfied to receive rates on a valuation of Tls.110. At the present time the Council has no well defined power, even under the public utility contracts, of enforcing the payment of rates. The question is complicated by the fact that many of these properties are owned by Chinese residents. He understands that the valuation of Mr. Anderson's property for purposes of sale is based on prevailing prices of land in the neighbourhood, which are much higher than they were when this property was offered for sale in 1928 or 1929.

The Minutes of the meeting of the Education Board of June 28 are submitted and confirmed, except in regard to:

A 4/2

New Public School for Boys, Tifeng Road - Assistant Master. - The Chairman states that, though not convinced of the necessity of engaging a Manual Training Instructor, he defers to the opinion of the rest of the Education Board that the Assistant Master for the new School should have the special qualifications indicated, and that the Council's London Agents should be requested to engage one.

Mr. Harris suggests that a man with the desired qualifications might possibly be obtained from Hongkong or Singapore. Replying to the Chairman, the Treasurer & Controller states that he sees no objection to advertising in these places.

It is thereupon directed that, simultaneously with the institution of enquiries through the London Agents, advertisements be published inviting applications from persons in Hongkong and Singapore for the position of Assistant Master, offering manual training as a special subject and having the other qualifications set forth by the Superintendent of Education.

E 1/1

The Minutes of the meeting of the Orchestra & Band Committee of June 29 are submitted and confirmed. Mr. Massey agrees that the ventilation of this question in Committee has done good. Members of Council were not aware, among other things, of the fact that there was a 5-years agreement to use the Grand Theatre for Municipal concerts at a fixed charge for each performance.

A 3/421

The Minutes of the meeting of the Library Committee of June 30 are submitted and confirmed. Brig.-Gen. Macnaghten notes as a matter for future consideration the question of the issue of additional pay to Miss Calder Marshall for the period during which she will be in temporary charge of

the Public Library.

Shanghai Medical Board - Council's Nominee. - In a report submitted, the Acting Commissioner of Public Health recommends that Dr. W. B. O'Hara be renominated as a member of the Shanghai Medical Board for a further period of two years, and that he be thanked for his valuable services on behalf of the community.

RESOLVED that Dr. W. B. O'Hara be renominated as a member of the Shanghai Medical Board for a further period of two years from April 1, 1933, and that he be thanked for his valuable services on behalf of the community.

Ricsha Licences. - In a letter submitted, Mr. Harris alludes to allegations by Mr. S. H. Teek in a public speech that there is traffic and profiteering in ricscha licences, and that the Council's regulations are often not observed. Mr. Harris suggests that a small Committee be appointed "to investigate the manner and terms under which ricscha licences are granted by the Shanghai Municipal Council, to ascertain whether there is any sub-letting or profiteering in ricscha licences, and to report on the present regulations in regard to ricschas and the extent to which they are in practice observed, and to make any recommendation which may seem fit."

The Chairman considers that the matter should be submitted to the Public Utilities Committee. He expresses the belief that licences are largely held by persons not engaged in the ricscha business who peddle them to sub-contractors at a considerable profit. He refers to a statement by the Traffic Office that (on account of the limitation in the number of licences) the market value of a licence is from \$450 to \$500. He states that, among other irregularities, there is constant evasion of police requirements regarding the cleanliness of ricschas and cushions.

Members agree that the matter requires investigation, and it is accordingly

RESOLVED that the question of ricscha licences and regulations be considered by the Public Utilities Committee.

China General Omnibus Co., Ltd. - Smoke Nuisance. - In a letter submitted Mr. Harris states that, when approving the Omnibus Company's request for permission to run an additional service from St. George's to the Bund, he qualified his approval by stating the opinion that compliance should be conditional on the Company being required to abate the emission of black smoke by their vehicles.

The Chairman states that the new route was approved without the suggested stipulation as it was not thought that any route could legally be disallowed for such a reason. The Company, however, was informed of the matter and invited to make a statement thereon. The Company has replied that steps have been taken to remedy this defect in their Diesel

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engines, and that important components relating to fuel injection are expected to be available within a few weeks.

Members agree that mitigation of the smoke nuisance could not be made a condition precedent to the Council's sanction of the new route and express themselves satisfied with the steps so far taken.

211/6 Playing Spaces. - Mr. Franklin enquires whether it is feasible to establish a Municipal Stadium for public use, in view of the fact that one important area will shortly be taken away.

The Chairman replies that the Commissioner of Public Works is already studying from every point of view the problem of providing further facilities for games and sports. He considers the question very important. He proposes that it be referred to the Works Committee for consideration in due course, and with this members concur.


217 Traffic Control. - Mr. Franklin suggests that arrangements be made for the better control of traffic at the corner of Kiaochow and Avenue Roads, where there is danger of accidents. Mr. Harris makes a similar suggestion with regard to the corner of Great Western and Tifeng Roads. In his opinion it would be desirable to paint white lines and a "stop" notice on roads of lesser importance where they meet main roads, as is done in America.

The proposal of the Chairman is adopted that these questions be referred to the Commissioner of Police for report.

The meeting terminates at 5.45 p.m.



Chairman.



Deputy Secretary.

At the meeting of the Council held on Monday, July 10, 1907, at 4.30 p.m.

Those present:-

Present:

Messrs. A. J. Seil (Chairman)
 H. E. Arnold (Vice-Chairman)
 C. S. Theobald
 T. Luskaton
 C. L. New
 Brig.-Gen. E. D. Woodington
 Messrs. J. W. Massey
 H. T. Yuan
 Tu Ma Ching
 The Secretary General,
 The Treasurer & Controller,
 Dr. J. G. H. Tu, and
 Mr. D. T. Nash (Cor Secretary).

Absent:

Messrs. E. W. Harris
 O. Okamoto
 F. J. Raven
 T. D. Woo
 George Bai.

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

F3/R Licensing of Factories. - Replying to the Chairman, the Secretary General states that the result of his conference with Mr. C. H. Tai have been reduced to writing, and copies of the statement, with explanatory notes and comments by himself, will be distributed to members prior to discussion at the next meeting.

A3/470 Police Range Reservoir. - The Chairman draws attention to the Notification in the Gazette of 1906, inviting applications for the position of Range Warden in the terms proposed by the Commandant.

P5/19 Victoria Harbour, How and Country Hospitals - Additional Land. - The Chairman states that a letter has been received from Mr. Anderson declining the Council's offer of £15,000 for his land adjoining these properties. The Chairman adds that any further steps towards securing this land at a satisfactory price can be left to the Commissioner of Public Works.

K25/1 Riccarton Reservoir. - The Chairman states that Departments are going into this matter, but that it will not be possible for the Public Utilities Committee to give it consideration until after the recess. A further letter on the subject has been received from Mr. S. H. Cook and a reply dispatched stating that the matter is already engaging the Council's attention.

85/16 Playing Spaces. - The Chairman states that it has not been possible to acquire the Luna Park site, but that there are other possibilities which he will discuss with the Commissioner of Public Works.

82/4 Traffic Control. - The Chairman states that a report may shortly be expected from the Commissioner of Police regarding traffic control at the street intersections referred to at the last meeting by Messrs. Franklin and Harris.

89/1 The Minutes of the meeting of the Staff Committee of July 7 are submitted and confirmed, with the following exception:-

With regard to Passages, the Chairman states that he is doubtful, in view of conditions now prevailing, of the wisdom of continuing to issue first-class passages at the expense of the community to a large number of young men and women who, in many cases, would just as soon travel second class. He asserts that many people, including some of high official standing, who used to travel first class, are now content to go second. He states that conditions have changed a good deal since the Salaries Commission reported on the subject of Municipal staff passages.

Mr. Massey refers to the opinion of the Staff Committee that the salary qualification for first-class passages in the case of Clerical Assistants should be raised from Tls.350 to Tls.400 per annum, subject to serving employees not being penalized thereby. He is entirely sympathetic with the Chairman's suggestion that further revisions be made in this direction. He adds that second-class accommodation has improved considerably in recent years.

Replying to the Chairman, the Treasurer & Controller enumerates the results in the several Departments who are entitled to first-class passages. These in his view are relatively few. The Heads of other Senior Departments have agreed with him that the best way of economizing on passages is to secure to the Council the shipping companies' rebates, as provided for in the new rules. A reduction in the number of first-class passages issued might be effected, but it would not be easy of accomplishment and the benefit to the Council would not be great.

Brig.-Gen. Macnaghton agrees with the Chairman that the position should be reviewed, especially in view of the economic depression of which business firms also have to take note.

Mr. Massey refers to a suggestion informally made at the Staff Committee meeting that employees entitled to first-class passages might be given the option of going second class, the saving in expense to be equally divided between the Council and the employees.

It is finally decided to refer back to the Heads of Departments the question of revising the basis on which the class of passage issued to employees is determined.

The Minutes of the meeting of the Works Committee of July 11 are submitted and confirmed.

5352/1

In the matter of Proposed New Building - Cad. Lot 174A Central, members note that the obligations attached to the building permit will be transferred from the Metropolitan Land & Building Co., Ltd., to the new owners of the land, the Commercial Bank of China, which is to be allowed to defer the commencement of building operations until September 1, 1933.

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

A14/2

As regards Secondary School for Chinese Girls - Sketch Plans, the Chairman states that, in response to a request for further information as to the cost of the building the Commissioner of Public Works has now reported that an informal estimate of Tls.200,000 was made before the requirements of the Education Department were known. Scheme B, as proposed, is likely to cost about Tls.250,000, but the estimate is a rough one and further particulars will be obtained and considered before a definite recommendation is submitted to the Council. The Chairman adds that the cost of materials for the central heating system, etc., has been increased by recent increases in the Customs tariff.

The Minutes of the meeting of the Finance Committee of July 14 are submitted and confirmed.

M5/6

In the matter of Printing of Chinese Editions of the Municipal Gazette and the Annual Report, the Treasury explains that the estimate of Tls.17,500 includes the cost of producing both publications for 1934.

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

A26/2

In connexion with Commandant of Volunteers - Expiry of Period of Command, the suggestion is made that an offer to renew Colonel Thoms' term of service for a period of five years might be an inducement to him to reconsider the decision, which he is understood to have reached, not to stay beyond January 30, 1934.

In discussing this matter, members agree that, in spite of the eminently satisfactory manner in which Colonel Thoms has performed his duties, a five-year renewal of his term is open to certain objections connected with the Council's powers under the Land Regulations, the views of the War Office, the Council's own precedents, and the advantage of this responsible position being occupied by an officer

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with recent experience elsewhere and able to keep the Volunteer Corps fully up to date.

It is accordingly decided that, in offering Colonel Thoms an extension from January 31, 1938, a period of two years be specified.

Fy/10 Health Committee - Amendment. - The Chinese members suggest that Dr. Mary Stone, M.D., a Chinese lady doctor of high standing, be appointed a member of the Health Committee in place of Dr. T. W. Hsiao, who has been unable to continue her membership this year.

On the Chairman's proposal it is

RESOLVED that Dr. Mary Stone be invited to serve on the Health Committee.

F5/18 Annual Report. - On the Chairman's proposal it is

RESOLVED that the Annual Report this year be from August 3 to September 5, inclusive.

The meeting terminated at 7.30 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, August 2, 1934, at
4.30 p.m., there were:-

Present:

Messrs. A. D. Bell (Chairman)
 H. M. Andrews (Vice-Chairman)
 C. S. Franklin
 G. Hamilton
 D. W. Hill
 MRG.-Gen. L. E. MacGregor
 Messrs. L. W. Massey,
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General
 The Treasurer & Controller
 The Secretary, and
 Dr. J. C. K. Wu.

Absent:

Messrs. E. F. Harris
 O. Okamoto
 F. J. Raven
 Tsuyee Ichi.

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

F3/R Licensing of Factories. - A memorandum is submitted by the
 Secretary General, giving the results of conversations between
 himself and Mr. C. K. Yui, Secretary General of the Municipality
 of Greater Shanghai, in the form of eight principles, relating
 to the establishment and operation of a joint inspectorate of
 factories. These provide for the appointment of four inspectors
 by the Chinese authorities and three by the Council, to function
 under a special board consisting of the Secretaries General of
 the two municipalities. The inspectors, whose special qualifica-
 tions are indicated, will serve for a probationary period of
 six months and be paid by the Chinese authorities and the Council
 in equal amounts.

Clause 6 states that the inspectorate shall operate in accordance with the Chinese Factory Laws and shall have access to all factories in the Settlement. Clause 7 states that whatever factory laws are enforced in other parts of China shall likewise be enforced in the Settlement, with the assistance of the appropriate courts. The proposed agreement is to remain in force for one year.

In his commentary the Secretary General states that the only possible line on which the discussions could be carried out was to attempt to find some basis of compromise of a practical nature which would reconcile as far as possible conflicting points of view. Opposition in the Chinese press with reference to China's sovereign rights is noted, and in official and unofficial Chinese circles factory regulation appears to be more a political than an industrial issue. The Secretary General details the considerations on which the several clauses were based.

The Chairman states that he is fully aware that no advantage can be made except in co-operation with the Chinese authorities, but he is hopeful that amendments can be made to the draft proposals to bring them more into line with the Council's views. The control of the inspectorate by two officials conflicts with the traditional principle of control by a Committee and by the Council and may give rise to practical difficulties. The inequality of the numbers of inspectors to be appointed by the two authorities is also open to objection. Inspection of foreign-owned factories by Chinese inspectors for all purposes of the Factory Laws is likely to lead to opposition. He considers that clause 7, which requires that any factory laws operating in other parts of China shall be operative in the Settlement, is too wide and vague.

The Secretary General explains that the draft proposals are the best he had been able to secure, and that in many respects they do not represent his ideas of what the Council should accept. In the last few days he has had unofficial intimations from the Employers' Federation that inspection by Chinese inspectors under the proposed scheme would be opposed. He had suggested to Mr. Yui that it would be difficult or impossible to get foreign factories to agree to inspection on these lines, but it is probable that the

3.

present form of clauses 6 and 7 may be the result of instructions from the Nanking Government, and that Mr. Yui was not free to modify them.

The Secretary General further states that he inclines to the belief that the Council's views regarding the necessity of amending the draft proposals would considerably influence the Chinese authorities towards further modifications.

Replying to questions by Mr. Arnold he states that quite possibly the Government would agree in the first place to limit inspections by Chinese inspectors to Chinese factories; in the case of foreign factories it would be necessary to effect control through the medium of licences the conditions of which would be enforced by the Treaty Powers through their courts.

Brig.-Gen. Macnoughten enquires whether the line of action recently taken by the Council in respect of certain dangerous factories could not be followed for all factories in the Settlement in the interests of the health and safety of their occupants. The Chairman replies that such action was taken in pursuance of the provision in Bye-Law XXXV for the control of hazardous trades and could not be extended to cover the requirements of the ordinary inspection of all factories.

In further reference to clauses 6 and 7 Mr. Arnold states that he is opposed to the acceptance by the Council of an inferior position in the area which it administers. Referring to Clause 2 he anticipates that difficulties might arise if the two members of the special board disagreed. He notes also that the suggested arrangement has no regard for the possible future of these posts. The Secretary General observes that the officials are intended to be the representatives of their respective municipalities.

The Secretary General further informs the Council that the Senior Consul has informally suggested to him that the representatives of the foreign-owned factories should be given an opportunity of expressing their views on the draft agreement before the Council comes to any decision. Members concur that this would be a wise course.

After some further discussion the Secretary General

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is requested to inform Mr. Yui that, while the Council is very desirous of co-operating with the Chinese authorities in the matter of factory inspection, it is held that acceptance of certain of the clauses in their present form, especially Nos. 1, 6 and 7, would make such co-operation almost impossible, and to request that they be reconsidered.

#264 Commandant of Volunteers - Expiry of Command. - The Chairman states that Colonel Thoms has expressed his appreciation of the Council's offer to renew the period of his command for two years, but regrets that other arrangements made by him preclude acceptance of the extension. The Chairman concludes that it will thus be necessary to request the War Office to nominate a successor, as recommended by the Watch Committee.

The Minutes of the meetings of the Finance Committee of July 21 and 23 are submitted and confirmed.

217/10

In the matter of Land Assessment, 1933, Mr. Franklin opposes the remission of 20% of the increased amount of land tax for the six months ending December 31, 1933, on the grounds that the amount involved, about £10,000, could be more usefully applied to additional police protection against acts of violence, and that the concession would encourage future protests on a large scale.

The Chairman notes as precedent the remission of part of the General Municipal Rate on certain premises adversely affected by the hostilities of 1932. He does not think that any provision for the approval of the remission of rates in 1933 was included in that year's Budget for approval by the ratepayers. The loss of revenue occasioned by the emergency situation was covered by a provision in the Budget of that year, though in his view the amount included therein was not specifically earmarked for emergency remission of rates.

Mr. Franklin enquires whether all the increases have not been recognized as justified and reasonable. The Chairman states that the Council has rather to consider the fact that the assessments were formerly allowed to remain at unduly low levels, with the result that the increases this year in a large number of cases are unusually steep and constitute a heavy burden

5.

at a time of economic depression.

The Town Clerk General states that, in accordance with the wishes of the Committee, he has considered the question of the legality of a remission on land tax. He states that he is satisfied that technically the proposed remission of land tax is ultra vires the Council but he does not consider that there would be any opposition to it on the part of the ratepayers, who could, if necessary, ratify the Council's action. With regard to the question whether a remission of land tax would give rise to any claim for a similar remission of General Municipal Rate on the basis of the proportional relation between land tax and General Municipal Rate provided for in the Land Regulations, he states that one ultra vires act could not be made the basis of a claim for another ultra vires act. The objections to the remission he regards as somewhat technical and academic and not a substantial basis of protest against the Council's action.

The Treasurer however considers that the balance between G.M.R. and land tax would be upset to the extent that only landowners and not householders would benefit by the concession. Replying to the Chairman he states that there are 631 registered landowners of whom two-thirds would receive rebates of from Tls. 10 to Tls. 50 each. The two largest rebates are Tls. 5,700 and Tls. 5,500.

Members generally endorse the view of Mr. Arnold that though the average rebate is small it would have the psychological effect of reducing the force of the opposition to the exceptionally large increases in land assessment from July 1, 1933.

Mr. Franklin states that though in the minority he still maintains his objection to the proposed remission.

The Council however approves the recommendation of the Finance Committee that the registered owners of land be granted a discount of 20 per cent. on the additional Land Tax payable for the second half of 1933 under the new assessment effective from July 1, 1933, provided that payment is made not later than September 30, 1933.

The Minutes of the meeting of the Education Board of July 26 are submitted and concluded.

c.

The Minutes of the meeting of the Orchestra & Band Committee of

July 31 are submitted and confirmed, except in regard to the Recommendation on the subject of

E2/9 Hire of the Grand Theatre. - The Secretary quotes the Council minute of October 14, 1931, stating the circumstances in which, upon Mr. Hughes's recommendation, the Council entered into a 5-years agreement for the use of the Grand Theatre by the Orchestra on certain occasions. A difficulty has arisen from the alleged failure of the Company to fulfil certain assurances, not contained in the agreement, regarding the provision of offices for the accommodation of the Orchestra and the unsatisfactory acoustic properties of the Grand Theatre. It is hoped that the Company may be willing to terminate the agreement with the prospect of getting as good returns from cinema performances.

A discussion takes place as to possible alternative accommodation should the agreement be terminated by consent of both parties. The Hanking Theatre is considered the most suitable, except that it is situated in the French Concession. The Chairman however is not convinced, in the absence of corroboratory evidence, that the unfavourable acoustic properties of the Grand Theatre, which were condemned by the Committee, constitute an important reason for wishing to terminate the agreement.

Mr. Masser is of the opinion, generally endorsed by members, that the agreement is oppressive and that the best course would be to try to cancel it and make other arrangements for orchestral concerts.

It is accordingly

RESOLVED that the Chairman of Council be authorised to confer informally with Mr. C. R. Burkill, Chairman of the Company, placing the facts of the case before him, with a view to obtaining his views as to the possibility of the termination of the agreement for the use of the Grand Theatre for orchestral concerts.

The Minutes of the meeting of the Works Committee of August 1 are

submitted and confirmed with two variations as follows:-
LR/6 Local Passenger Landing Association. - At Mr. Franklin's

7.

suggestion it is directed that the Commissioner of Public Works be requested to discuss informally the question of riparian rights with the two owners affected. The Committee's recommendation is adopted with this addition.

2/16 Playing Spaces - Kiaochow Road Park. - Mr. Massey states that he is in favour of accommodation being provided in this Park for Rugby as well as Association football. Brig.-Gen. Macnaghten doubts whether there is sufficient space for this if other requirements are to be met. The Chairman is of the opinion that there are already adequate facilities for Rugby football, which is not much played in Shanghai. There is also difficulty connected with the provision of stands for spectators. He adds however that the matter might well be discussed further with the Commissioner of Public Works, and at his suggestion it is decided to defer confirmation of the recommendation regarding the apportionment of space for the various games in Kiaochow Road Park.

Mr. Franklin expresses the opinion that efforts should now be made to provide a permanent first class stadium, on this land or elsewhere. At his suggestion it is decided to request the Commissioner of Public Works to give this matter his further attention.

2/14 Report on Annual Inspection of S. V. C. - Copies of Brigadier Fleming's Report on his Annual Inspection of the Volunteer Corps have been distributed to members. On the Chairman's proposal this is referred to the Watch Committee for consideration.

2/19 Police Force - Bicycles. - Tendons for 20 bicycles for the Police Force were received in June, and the Police recommended acceptance of the "Raleigh" at \$118 each, these being available for immediate delivery, while the Commissioner of Public Works considered that "Mercedes" bicycles at \$72 would give satisfactory service. The opinion of members of the Watch Committee, as expressed on the relative Circular, was divided.

Mr. Franklin states that he supported the former recommendation owing to the fact referred to in the Police report that "Raleigh" bicycles were already in use by that Department.

Upon consideration it is

RESOLVED that the tender of the "Mercedes" bicycles be accepted for the supply of 20 bicycles for the Police

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Force at \$110 each be accepted.

Librarian. - Brig.-Gen. Macnaughten states that applications for
H3/548 the position of Librarian will close on August 7, i.e., during
the recess. Members direct that the selection be left to the
Library Committee, subject to confirmation by the Chairman.

The meeting terminates at 6.10 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, September 6, 1933, at 4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 C. S. Franklin
 T. Funatsu
 E. F. Harris
 S. L. Hsu
 Brig.-Gen. E. B. Macnaghten
 Messrs. P. W. Massey
 O. Okamoto
 Tsuyee Pei
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General
 The Treasurer & Controller, and
 The Secretary.

Absent:

Mr. F. J. Raven.

Return of Mr. Tsuyee Pei. - On behalf of the Council the Chairman expresses ^{F5/R} his pleasure at the return of Mr. Tsuyee Pei to Shanghai and his resumption of his seat on the Council.

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

^{F3/2} Licensing of Factories. - Replying to the Chairman the Secretary General states that during the recess he continued his negotiations with Mr. O. K. Yui, as the result of which certain proposals were put forward for the modification of the eight points of the draft submitted to the Council at the meeting of August 2 relative to the appointment and operation of a joint inspectorate of factories. Mr. Yui concurred in an amendment to clause 1 by which the number of inspectors is increased from 7 to 8, of whom 4 are to be appointed by the Chinese authorities and 4 by the Council.

In place of Clause 6, which was adversely commented on at the last meeting, the Secretary General suggested the alternative wording: "The inspectorate shall function in accordance with the Chinese Factory Inspection Laws but foreign owned factories shall not be subject to inspection by purely Chinese inspectors." Mr. Yui preferred to retain the first part of the original clause reading: "The inspectorate shall function in accordance with the Chinese Factory Inspection Laws," and to add a new clause providing for the inspection of foreign owned factories by Chinese and foreign inspectors jointly.

Mr. Yui consented to the substitution of the first part of Clause 7, relating to the enforcement of China's factory laws in the Settlement, by a new clause (No.8) reading: "Only those provisions of the Chinese Factory Laws which relate to health and safety shall be enforced in the Settlement during the period of this agreement."

Regarding clause 2, which provides that the inspectorate shall function under a special Board consisting of the Secretaries General of the Council and the Municipality of Greater Shanghai, Mr. Yui declined an amendment drawn up by the Secretary General in accordance with views expressed at the last meeting of Council reading: "The inspectorate shall function under the general direction of the Secretariat of the Council, but in case the inspectors appointed by the Chinese Authorities disagree with the policies or directions of the Council's Secretariat, the matter may be referred for final decision to the Secretaries General of the Council and the Municipality of Greater Shanghai acting as representatives of their respective principals." Mr. Yui referred to the fact that the Nanking Government considered that the whole question of factory control and regulation is a matter peculiarly within its own province, but is himself prepared to recede from that position to the extent of agreeing to a strictly joint inspectorate in which the Municipality of Greater Shanghai and the Municipal Council shall be on a plane of equality.

The Secretary General points out that paragraph 8 as modified is not by its terms an agreement to enforce the Chinese factory laws relating to health and safety but is intended to be applied in cases where inspection shows that a highly undesirable state of affairs in regard to health and safety exists. In the opinion of the Secretary General the revised points now submitted approximate to the best that he can hope to obtain by negotiation.

The Chairman still takes exception to the wording of the clause providing for the special Board and is of opinion that the case would be better met if it were understood that the members are the Secretaries General and not the individuals now holding those offices. Replying to Mr. Harris he states that the proposed agreement is for the inspection of factories within the Settlement and as such is not directly concerned with the even application of the factory laws in and out of the Settlement. The Secretary General adds that the indications are that owners will desire to keep their factories within the Settlement rather than move them beyond the Council's jurisdiction.

Replying to a further question by Mr. Harris regarding the policy of the French Administration, the Secretary General states

that the French Concession has had a code of factory laws or ordinances which classify these establishments, which are dealt with according to classification, and to whatever extent they have been in force they have been independent of any Chinese authority. He adds that the French Administration is desirous of co-operating with the Council, and that the French Authorities have expressed the opinion that it will follow the Council's lead in this matter.

Mr. Massey states that the point raised by Mr. Harris is important, and in reply the Secretary General states that the proposed agreement may not continue for more than a year and is concerned with a limited inspection within the Council's jurisdiction rather than with a general regulation of factories.

The Secretary General undertakes to distribute copies of Mr. Yui's proposals and his own notes thereon to all members.

The matter is thereupon deferred for later consideration.

SR1 Outside Roads Negotiations. - Referring to discussions at previous meetings the Secretary General, in reply to the Chairman, states that he communicated to Mr. O. K. Yui the substance of a report by the Commissioner of Police that the Chinese authorities had ordered the construction of observation posts and the institution of additional police patrols on the extra-Settlement roads. This action he looked upon as contrary to the understanding that pending negotiations on the control of outside roads the status quo would be maintained. Mr. Yui, in confirming the report, took the view that the Chinese authorities had not relinquished their rights in this matter; some very small increases in the Chinese police were considered necessary and instructions had been issued that they should co-operate with the Municipal police.

The Secretary General outlines the former negotiations on outside roads which had failed at an advanced stage owing chiefly to the insistence of the Japanese Consul-General on the appointment of a Japanese Deputy Commissioner of Police and two other senior Japanese police officials for the outside areas, and his requirement that the official consent of the Consular Body should be obtained.

As regards the former point the Chinese authorities were agreeable to the appointment of one foreign Deputy Commissioner of Police without any stipulation as to his nationality.

Owing principally to the fact that the Nanking Government considers that the crucial point is the policing of the outside areas there did not appear to be any hope that an agreement could be reached without settling the police question. Mr. Yui had been willing to consider negotiating for a settlement on other than police questions and forwarded the Council's views to Nanking. Later, in June or July,

he stated that on account of the political situation the Nanking Government was not prepared to do anything in the matter for the present, and though he desired to keep the negotiations open he held out no hope of an agreement which did not provide for policing the outside roads.

In reply to Mr. Arnhold's expression of view that the Council was only concerned with agreeing with the Chinese upon a draft agreement and that formal sanctioning of the agreement should be left to the Consular Body, the Secretary General states that, with the exception of the Japanese, the Consuls and some of the Ministers had stated that they desired the Council itself to proceed to the conclusion of the agreement. The Japanese however insisted on Consular approval.

The Secretary General states that he proposes to see the Japanese Consul-General about the present situation to-morrow. He thinks that a change of Government in Nanking might possibly at some future time open the way to a resumption of negotiations.

The Chairman expresses his disappointment at the failure of the negotiations and doubts whether it would be possible to satisfy the Japanese authorities that the proposed special police force would give the necessary protection.

21/10
Land Assessment - 1933. - Replying to the Chairman the Secretary states that a Notification has been prepared for insertion in this week's Gazette stating that Land Tax Demand Notes will be sent out immediately by the Revenue Office and those who pay by September 30 will be given claim forms in respect of the 20% discount which the Council is offering on the increased amount of Land Tax for the second half of 1933. The Secretary reads a report from the Treasurer & Controller drawing attention to certain aspects of this matter, particularly in regard to his personal responsibility in making payments believing such to be ultra vires and therefore irregular. The Treasurer & Controller states that he has found it necessary to obtain counsel's opinion on this point and that, with great respect to the Council, any rebate payments he is called upon to make under the terms of the Notification will necessarily be under protest.

22/9
Hire of the Grand Theatre. - The Chairman states that, as desired by members at the last meeting, he conferred informally with Mr. C. R. Burkill regarding the possibility of terminating the agreement for the use of the Grand Theatre for orchestral concerts. Mr. Burkill, who presides at board meetings though not the Chairman of the Company, held out no hope that the agreement could be terminated without the payment of a large sum as compensation, and stated that his Company preferred an assured revenue from the Council to the somewhat uncertain

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returns from cinema performances. The Chairman on the other hand told Mr. Burkill that payment of a lump sum as compensation was out of the question and that in his own opinion a better solution would be to disband the Orchestra with the result that the agreement would automatically lapse in six months.

The Chairman states that Mr. Hughes has hopes of getting out of the agreement without loss. He adds incidentally that the Company is stated to be in course of liquidation. He suggests that the question of the agreement should receive further consideration by the Orchestra and Band Committee.

The Minutes of the meeting of the Library Committee of August 17 are submitted and confirmed.

F.S./1
Dr. J. C. H. Wu's Report. - In reply to an enquiry by the Chairman the Secretary states that copies of Dr. Wu's report have been made and will shortly be circulated.

The meeting terminates at 5.35 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, September 20, 1933, at

4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)

H. E. Arnhold

T. Funatsu

E. F. Harris

S. L. Hsu

Brig.-Gen. E. B. Macraghten

Messrs. P. W. Massey

O. Okamoto

Tsuyee Fei

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Secretary General

The Treasurer & Controller, and

The Secretary.

Absent:

Mr. C. S. Franklin.

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

FJR Licensing of Factories. - The Chairman alludes to the Secretary General's memorandum on the inspection of factories, and also draws members' attention to a letter from Mr. E. F. Harris to the Secretary setting forth his views on the subject. In this letter Mr. Harris submits that the Chairman's speech at the Special Meeting of Rate-payers was in the nature of a pledge that while the Council would co-operate with the Municipality of Greater Shanghai to secure uniform regulations for factories in the whole Shanghai area it would maintain unimpaired its administrative control and integrity in the Settlement and licence Chinese and foreign owned factories alike. He considers that the first step to secure such uniform regulations should be to set up a joint Board, representing the three areas concerned, to determine the lines on which the preliminary inspection would be carried out and then to agree as to the necessary licence conditions or the application of such portions of the Chinese Factory Law as might be found practicable and desirable. He understood that each authority would appoint and control its own inspectors for its own areas. In his opinion the recent negotiations, while excluding the Council from participation in the inspection of factories outside the Settlement, tend to deprive it of the free control of factories within the Settlement. He notes that the recent discussions

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refer to preliminary factory inspection, but considers that this would inevitably lead to the admission of the Chinese authorities to the privilege of continued joint control of factories in the Settlement. His objection to the proposed agreement is thus based on two grounds: (a) the Council's administrative control and integrity within the Settlement would not be maintained unimpaired, and (b) there is no guarantee that uniform regulations for factories in the whole Shanghai area would be secured. If these ends cannot be reached by agreement the Council will have to frame its own regulations independently of the other authorities.

The Chairman reiterates his misgivings regarding the proposed institution of an inspectorate under the two Secretaries General, which is a complete departure from the accepted principle that officials functioning in the Settlement are responsible to the Council alone. The eight inspectors, though four of them would be nominated by the Municipality of Greater Shanghai, should in his opinion function under the Secretariat, or preferably the Secretariat General, and all be paid servants of the Council. This would in no way interfere with the transmission to the Chinese authorities of full information thus obtained.

The Secretary General reminds members that the proposals are not simply an expression of his own views but are the best that he has been able to get Mr. Yui to agree to. He concurs in the Chairman's objections to certain features, and will try to persuade Mr. Yui to modify his requirements.

In order to explain why the recent negotiations were limited to factory inspection rather than to the wider question of factory control, the Secretary General traces the negotiations to certain unofficial conversations undertaken upon the invitation of Mr. S. U. Zau, then Vice-Minister of Industries, during the mission of Mr. Pone, of the International Labour Office of Geneva, to China in 1931. Brig.-Gen. Macnaghten and he himself attended certain of the meetings on behalf of the Council, and in addition to Mr. Pone and Mr. Zau there were also present Dame Adelaide Anderson, three representatives of the Municipality of Greater Shanghai, two from the French Administration, and some other Chinese representatives. At these meetings two principles were unanimously recognised: (1) that there should be one labour law in all parts of the industrial district of Shanghai; (2) that this labour law should be enforced by means of a Factory Inspectorate working in a uniform way. The method of application of these principles, however, formed the subject of a protracted discussion. Three separate suggestions were made, not one of which commended itself completely to all present. Mr. Pone and Dame Adelaide Anderson proposed that factory inspectors appointed by the Chinese Government should visit all factories in the

industrial area of Shanghai, provided that they should be assisted for inspection of factories in the Settlement and the French Concession by officials of these respective authorities. The French representatives made another suggestion, and the Council representatives proposed that the inspection of factories located in the Settlement should be made by inspectors put by the Chinese authorities at the disposal of the authorities of the Settlement and working under the control of these authorities, and that reports should also be submitted to the Chinese Government.

It was found impossible to devise a scheme of control which would apply equally to all three areas, but a measure of agreement was reached for the limitation of the proposed measures to the inspection of factories and that the authorities of the Settlement and the French Concession should agree to take in factory inspectors trained and recommended by the Chinese Government to inspect the factories in their respective localities, and that these inspectors should report from time to time to the Chinese Government and be under some form of supervision by the Central Inspectorate. It was upon the basis of these suggestions that negotiations with Mr. O. K. Yui were commenced.

Continuing, the Secretary General expresses the opinion that the ideal solution would be on the lines indicated by Mr. Harris, but in view of the disagreements of 1931 it appears to be impossible. The French Administration has since been apathetic, but has intimated that it is prepared to follow the Council's lead when an understanding is reached with the Chinese authorities. It is evident however that the Chinese have made the whole thing a burning political question, and there is no present possibility that they will agree to be represented on a joint Board. He submits that the only course open is to arrange for a preliminary inspection of factories and to leave the question of uniform control to some commission that might be appointed later to deal with the whole question. He feels that if negotiations break down the Chinese authorities will establish an inspectorate of their own, and they may have taken steps in that direction already.

Mr. Hsu endorses the Secretary General's view and is not in favour of abandoning the negotiations or of making a fresh start on other lines.

The Chairman states that he does not intend to suggest that negotiations should be stopped; he feels, however, that if a board which is semi-independent of the Council is set up for inspection there will be a danger of the Council being committed to a similarly constituted body for factory control later. He considers it necessary to have a greater measure of control over all the inspectors.

Mr. Harris states that he would be in favour of the nomination of inspectors by the Chinese authorities providing the Council has full control over them.

The Secretary General agrees in principle. He hopes that at a later stage it will be possible to appoint a fully representative joint Committee to formulate regulations, but the necessary data have first to be collected, and this implies a detailed study of technical requirements.

The Chairman expresses himself as being in favour of continuing negotiations for the appointment of an inspectorate to gather these data, and suggests that Mr. Yui be informed of the Council's desire to retain adequate control of the inspectors of Settlement factories, who should form a part of its own staff.

Referring to action already taken independently by the Council for improving conditions in factories engaged in hazardous trades, the Secretary General states that good progress has been made under Bye-law XXXV. About 35 factories have been so dealt with, but the great majority do not come within the scope of this Bye-law.

Mr. Tsuyee Pei states his opinion that not sufficient information is available on conditions in the French Concession and Chinese areas, and that further study of these would facilitate the formulation of a plan acceptable to the Chinese authorities. In reply to the Chairman he states that he agrees that it would be right for the Council to express itself freely in favour of control over the inspectors nominated by the Chinese authorities for the Settlement.

Replying to a question by Mr. Funatsu the Secretary General expresses the opinion that when a definite scheme has been prepared it should be submitted to the Employers' Federation and the Consular Body for their views before it is officially sanctioned.

Mr. Okamoto states that he desires to emphasise the point that the authority given by the Ratepayers did not permit of any outside control in Settlement factories.

The Secretary General states that the sending of reports direct by the inspectors to the Chinese authorities might be obviated by reports being passed on from the Council.

The Chairman is of the opinion that in any further discussions with Mr. Yui an effort should be made to reinstate the rejected Clause 5, drafted by the Secretary General, providing for the operation of the inspectorate under the Council and reference of disputed points to the Secretaries General acting as representatives of their respective principals.

It is thereupon

RESOLVED that the Secretary General be authorized to

resume discussions with Mr. O. K. Yui regarding factory inspection on the lines indicated in the debate at to-day's meeting.

5189 Outside Roads Negotiations. - The Chairman states, and the Secretary General confirms, that a recent press article on the outside roads negotiations was not based on information supplied by the Council.

Mr. Okamoto refers to a statement made by the Secretary General at the previous meeting that the Japanese Consul-General had insisted on the appointment of a Japanese Deputy Commissioner of Police and two other senior Japanese officers in the proposed Special Police Force for the Outside Areas. He wishes that the statement be corrected as he understands that the Japanese claim was that there should be a Japanese Assistant Commissioner of Police and two other Japanese officers.

Mr. Okamoto adds that some time ago he suggested to the Secretary General that it would be necessary to provide for the appointment of other Japanese members of the special force, but that nothing has been arranged. The Secretary General replies that owing to the attitude of the Japanese authorities it never became practicable to discuss this aspect of the matter, and Mr. Yui assured him that the Chinese authorities would not consider the appointment of three foreign senior officers of any nationality. A Chinese Commissioner was to be in charge of the force, which would be responsible to the Bureau of Public Safety.

The Chairman suggests that the Secretary General should renew his conversations with Mr. Yui and discuss the question of including foreign officers of "non-commissioned" rank in the force. Mr. Harris suggests that some agreement might be reached as to the proportion of Chinese and foreign staff. Mr. Okamoto states that in the Western District it would be sufficient if the second officer in charge were Japanese.

Members agree to the continuation of the discussion on these lines.

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

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

28/1 With regard to Proposed Site for Theatre - Avenue Haig, Mr. Arnhold states that the applicant is willing to accede to the suggestions made with regard to the culverting of the creek in the rear of the premises, and that with the provision for approach roads on the north and south sides of the theatre, which would give the

premises roads on all four sides, all reasonable steps have been taken to guard against traffic difficulties. The applicant, however, did not consider it practicable to arrange for a special approach for motor cars, and Mr. Massey adds that he understands that the theatre will not cater generally for patrons who would be likely to arrive in motor cars.

The issue of a building permit is accordingly approved.

With regard to Ricsha Licences, Mr. Massey suggests that it would be wise to increase the personnel of the proposed Committee by one foreigner and one Chinese, making five altogether.

The Secretary suggests the addition of Mr. M. T. Tchou who has already been named and possibly Mr. S. H. Peck. He believes both of them to be competent and able to serve. Mr. Massey considers that one of the foreign members should be of some nationality other than British.

It is eventually

RESOLVED that a special Committee, composed of Messrs. E. F. Harris, E. Y. B. Kiang, P. W. Massey and M. T. Tchou, together with a fifth foreign member to be co-opted, be appointed to consider the question of public ricscha licences and regulation.

The Minutes of the meeting of the Education Board of September 13 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of September 15 are submitted and confirmed.

The Municipal Gazette for September 22 is submitted in proof form and passed for publication with one correction.

The meeting terminates at 6.10 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Tuesday, October 3, 1932, at 4.30 p.m.

there were:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnold (Vice-Chairman)
 G. C. Franklin
 T. Funatsu
 E. F. Harris
 C. L. Hou
 Brig.-Gen. E. E. Maccaughen
 Messrs. E. J. Massey
 C. Okamoto
 Tsuyee Poi
 F. J. Raven
 T. D. Joo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General
 The Treasurer & Controller, and
 The Secretary.

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

Licensing of Factories. - At the request of the Chairman the Secretary General stated the result of recent interviews with Mr. C. H. Yui. Having explained the Council's attitude to Mr. Yui he was informed that the Chinese authorities would in no circumstances recede from their position or agree to the Council's contention that it should have control of factory inspection in the Settlement, and that if the Council had nothing to add to its previous representations the negotiations might be considered at an end. The Secretary General suggested that it might not be necessary to regard this decision as final, but Mr. Yui held out no hope that it would be reconsidered. This view was confirmed by Mr. Yui in an interview this afternoon, when he repeated that the Chinese Government was resolved on exercising control of factories in the Settlement. The Secretary General points out that the question has become a political one, and states that he is unable to suggest any further steps that might be taken to deal with it.

Brig.-Gen. Maccaughen enquires whether the amendment to Bye-Law XXXIV sanctioned by the Ratepayers at the Special Meeting does not enable the Council itself to take necessary measures for the inspection and licensing of factories.

The Chairman expresses the opinion that such independent action would be difficult, and refers to a statement by the

Secretary General that there is not much likelihood of the District Court rendering any assistance until agreement is reached with the Chinese authorities. The Chairman considers that, while something might be done towards controlling foreign owned factories, it would be better for the Council to go slowly in the expectation that some way out of the impasse will be found. He finds it inconceivable that the Settlement should continue indefinitely without factory inspection. He points out that something has already been done to ameliorate hazardous conditions in factories and expresses the opinion that, without committing itself to any hasty action, the Council can continue its enquiries.

The Secretary General states that there is plenty of scope for the activities of Miss Hinder although she has no power of entry to all factories. Numerous rows of "li" houses have been converted to small factories which are not well adapted to the work undertaken and constitute serious fire risks in themselves and in relation to adjoining premises, besides being in many cases extraordinarily unhealthy for the workers. In spite of the present deadlock in negotiations, much can also be done towards reducing the risk in rubber and other factories, without exceeding the Council's powers therein as to which Miss Hinder has been instructed. Many owners of small factories have erred through ignorance, and when the dangers are explained to them they appeal to the Council for advice and assistance.

The Chairman assures members that Miss Hinder, working under the Secretary General, will not pursue oppressive methods but will use powers of persuasion to bring about better conditions.

Mr. Harris enquires whether the information now being collected by Miss Hinder will not serve the same purpose as the proposed survey by inspectors, i.e., that of forming a basis for the factory licence conditions.

The Secretary General replies that some factory owners do not object to Miss Hinder's investigations but that others will not permit them. The Council's departments, especially the Public Health Department, are able to collect useful data, but the inspectors working therein are not specially trained for factory inspection. If the scope of Miss Hinder's work were to be increased she would need additional staff; she has applied for such additions, but he has been awaiting the termination of the negotiations before endorsing the application.

Mr. Harris is in favour of providing reasonable assistance. The Secretary General states that it was hoped that the Chinese authorities would provide it, and the present position is that the Council has no trained inspectors except those qualified to satisfy departmental requirements.

The Chairman states that he does not think it wise for the Council to commit itself to appoint a new staff whilst there is still a possibility of the Chinese authorities co-operating in the appointment of inspectors. He adds that he does not entirely accept Mr. Tui's view that nothing more can be done, but thinks that a little more time should be allowed for developments. Replying to a question by Mr. Raven he states that the Council is not obliged by the Ratepayers' resolution to take immediate action but is only empowered to take such action.

Mr. Tsuyes Pei concurs in the Chairman's view that the matter should not be regarded as closed, as there is still a possibility of coming to some kind of agreement with the Chinese authorities, and he suggests that members might individually consider submission of an alternative formula.

The Chairman expresses the hope that means will be found to solve the difficulty, though he takes it for granted that the Council has no intention of receding from its position regarding control of inspectors in its own area. Meanwhile Miss Hinder can proceed with the necessary work and the Council will be guided by her reports and by the views of factory owners.

Replying to a question by Mr. Funatsu regarding factory inspection in the French Concession the Secretary General states that there are but few factories in that area. They are dealt with under regulations for the classification of establishments and inspections appear to be confined to questions of safety relating to fire, health and building construction.

Replying to a further question by Mr. Funatsu the Chairman states that hitherto the French Administration has not co-operated with the Chinese authorities but has acted alone. He is reluctant to advise the Council to take the same course, as the presence of large Chinese owned factories in the Settlement would be likely to result in strong opposition by the Chinese to independent action, and he is not in favour of coercion.

The Secretary General adds that there are nearly 200,000 workers in Settlement factories, while the numbers in the French Concession are extremely small.

Mr. Harris suggests that, as the Chinese Government is zealous in the matter of factory inspection and control, the Special District Court would not be likely to refuse to support the activities of the Council in this direction. The Secretary General however points out that the Chinese courts function differently from those in other countries and in such matters could not depart from the policy of the Government. The Secretary adds that a Chinese Court might take the view

that the Council's amendment of Bye-Law XXXIV to provide for the licensing of factories was ultra vires. The Secretary General concurs, stating that the Chinese view is that as they were not consulted in the matter the amendment is not binding.

Replying to a suggestion by Mr. Tsuyee Pei that a small Committee be appointed to thresh the matter out the Chairman states that he would favour this course but for the probability that, after the protracted discussions which have already been held nothing more could be accomplished by a Committee and the possibility that a decision would even be delayed thereby. He is of the opinion that a much better way would be for some of the members who have not so far taken part in the negotiations, such as the Chinese members of Council, to carry on informal negotiations.

The Secretary General emphasizes the point that the only outstanding dispute is on the question of the control of the inspectorate operating within the Settlement. In his opinion no Committee would produce results unless it were in a position to influence the Nanking Government.

On behalf of the Chinese members Mr. Yuan states that he might institute informal discussions with Chinese officials and expresses the hope that there will be something to report to the Council at its next meeting.

5129 Outside Roads Negotiations. - The Secretary General states that about last April he obtained the views of the Commissioner of Police regarding the number of police which should constitute the special force for policing the outside areas and the rank of the officers required for its control, but Mr. Yui said that he would not discuss the question of appointing Japanese officers. More recently the Secretary General submitted the recommendations of the Commissioner of Police, but the most he could obtain from Mr. Yui was an undertaking to ascertain whether his colleagues were prepared to discuss the matter on these lines. To-day Mr. Yui reported that his colleagues were unwilling to discuss the matter further.

The Minutes of the meeting of the Works Committee of September 19 are submitted and confirmed. In the matter of Quinsan Road Widening -
24/61 Cadastral Lots 910 and 928, the Secretary explains that the issue in these two cases was the acquisition by the Council of land at a price 43% above the recently reassessed value. Mr. Harris enquires whether the assessment of the remainder of the land would thereby be automatically increased. The Chairman replies in the negative, and adds that the market value of land is usually higher than the assessed value, a fact which Mr. Raven attributes to the rapid appreciation in land values.

The Minutes of the meeting of the Orchestra and Band Committee of

E2/9 September 21 are submitted and confirmed. In the matter of Grand Theatre Agreement, the Secretary states that he has written formally to Mr. Grant Mark calling for the necessary accommodation under the agreement. Besides the accommodation already made available certain additional lighting facilities, a curtain to hide the cinema screen and a stage platform are necessary. A further letter has been written to Mr. Mark, but no answer has yet been received.

E2/8 In the matter of Symphony Concerts - 1933-4 Season, Mr. Raven enquires what arrangements are being made to control the issue of complimentary tickets. The Treasurer & Controller replies that since the special symphony concerts in the summer complimentary tickets have been reduced to a very small number as indicated in a memorandum submitted to himself by the Conductor.

The Minutes of the meeting of the Finance Committee of September 22 are

B10/1 submitted and confirmed. In the matter of General Municipal Rate - Shanghai Hospital for the Insane, Mr. Okamoto suggests that all financial benefits to private institutions should take the form of grants-in-aid. The Treasurer & Controller replies that remission of taxation is now shown in the Budget under the general heading "Grants-in-Aid."

B12/1 In the matter of Chinese Auditor, the Chairman observes that the recommendation is intended to provide for consideration by the Treasurer of the suggested fee of \$2,000 before a definite offer is made to Mr. Pan Chu-lun.

The Minutes of the meeting of the Education Board of September 27 are

A23/1 submitted and confirmed. In the matter of Educational Policy - Provision of Additional Chinese Schools, the Chairman remarks that a tentative form of recommendation was adopted owing to the absence of certain members from the meeting.

B9/4 Tael and Dollar Accounts. - In reply to a question by Mr. Massey the Treasurer states that the Budget statements will be changed from taels to dollars in 1934, but that owing to practical difficulties it is still necessary to use taels in certain transactions.

Accident to Mayor of Greater Shanghai. - The Chairman states that General

M1/5 Wu Te-chen was involved in a motor car accident in Avenue Joffre this morning, but that his injuries were fortunately not serious.

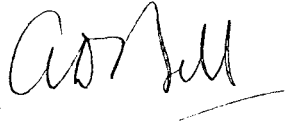
Land Tax Discount. - Replying to Mr. Massey the Treasurer & Controller

L17/10 states that the Land Tax for the second half of 1933, estimated at approximately Tls.2,400,000, with the exception of about Tls.130,000 has been paid in time to enable the land owners

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concerned to avail themselves of the Council's offer to remit 20% of the tax on the additional assessment for that period. He points out that the prompt payment of Land Tax in these circumstances indicates the necessity of ensuring equally prompt payment in the future.

The meeting terminates at 5.55 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, October 18, 1933, at

4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)

H. E. Arnhold (Vice-Chairman)

C. S. Franklin

T. Funatsu

E. F. Harris

S. L. Hsu

Brig.-Gen. E. B. Macnaghten

Messrs. P. W. Massey

O. Okamoto

F. J. Raven

T. D. Woo

Yu Ya Ching

L. T. Yuan

The Secretary General

The Treasurer & Controller

Dr. J. C. H. Wu, and

The Secretary.

Absent:

Mr. Tsuyee Pei.

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

Licensing of Factories. - The Chairman states that the Secretary General has nothing further to report in this matter. He has been encouraged in the last week by the moderate attitude of the Chinese press and by the report of Mr. Yuan and other Chinese members on an interview with Mr. Yui, who gave evidence of a desire to come to an agreement on the inspection of factories, if a suitable formula could be found. He recommends the matter to the careful consideration of members in the hope that they may find a solution which the amicable spirit shown by both parties seems to render possible.

Symphony Concerts - Complimentary Tickets. - Referring to Mr. Raven's enquiry at the last meeting the Secretary draws attention to the request by members of the Orchestra for complimentary season tickets for their families, particulars of which have been circulated to the Orchestra and Band Committee and since distributed to members of Council. Replying to the Chairman he states that the takings at the Sunday concert of October 8 amounted to \$1,700.

In support of the opinion of the Orchestra Committee that the complimentary tickets should be issued, Brig.-Gen. Macnaghten reminds members of the large seating capacity of the Grand Theatre and observes that a comparatively empty house is discouraging to the Orchestra.

The Treasurer & Controller raises the question whether the free tickets, if issued, should cover admittance to special concerts for which outside artists are engaged. The number of such tickets now applied for is 66, which added to those previously approved for issue bring the total number to well over 100. This appears to conflict with the recently expressed views of the Council.

In the ensuing discussion the view prevails that some concession should be made to members of the Orchestra provided the receipts from the paying public are not adversely affected, as might be the case at special concerts. It is accordingly

RESOLVED that 66 complimentary season tickets for seats priced not higher than \$1 be issued to members of the Orchestra for the use of their families at ordinary winter concerts when soloists are not engaged, but that applications for free entry to special concerts be treated separately as special cases.

The Minutes of the meeting of the Education Board of October 11 are submitted and confirmed.

R/10/9

On the subject of Schools Administered by the Bureau of Education the Chairman remarks that the Council would be grateful to any of the Chinese members who would be good enough to use their influence with the Bureau of Education for the Municipality of Greater Shanghai in the matter of bringing about improvements in the sanitary condition of the schools which it controls, in view of the fact that the Council is willing to exempt them from payment of rates.

The Minutes of the meeting of the Public Utilities Committee of October 13 are submitted and confirmed.

6/2/14

On the subject of Shanghai Telephone Company - Application for Increase in Tariff, the Chairman suggests that the time has come, in view of the anxiety in some quarters over the Company's proposals, to consider the desirability of giving publicity to the matter, e.g., by authorizing publication of the greater part of the Company's letter, communicated to the Council in book form.

The Secretary states that the Vice-President of the Company has consented in writing to the publication of the book, with the exception of a few pages containing confidential information regarding the Company's finances. With members' approval the Company's statement of its case will be released for publication on Friday. The Secretary adds that his office receives constant enquiries from the public on the state of the negotiations, besides numerous criticisms from Chinese associations, generally based on obvious misunderstandings. In his opinion it would clear the atmosphere to publish authentic information.

Brig.-Gen. Macnaghten suggests that, to complete the case, the Treasurer's report should also be published.

The Treasurer & Controller is not in favour of publishing his report until after the Public Utilities Committee has met again to consider the Company's application.

The Chairman and certain other members express their belief that it would be desirable to publish at the same time the last paragraph of the minutes of the Public Utilities Committee of October 13 to indicate what stage the matter has reached in the Council's hands. The paragraph in question reads: "Members incline to the view that the proposals of the Shanghai Telephone Company should not be sanctioned in their present form. However, as the French Council is likewise interested in the financial questions involved, it is decided to defer consideration of the matter to a later date."

Mr. Franklin however considers that this course would give the impression that the Council had virtually refused the application, but Mr. Arnhold is of the opinion that the words "in their present form" would suffice to avert such misunderstanding.

Mr. Franklin further suggests that publication of the letter might be deferred until the Company has had an opportunity of replying to the points raised by the Treasurer, or alternatively that it be announced that the matter is receiving careful consideration.

The Chairman maintains that the Committee's recommendation is so moderately worded that it would not fail to give precisely the meaning which the Council wishes to convey. This view finally commends itself to the meeting and it is therefore

RESOLVED that the letter of the Shanghai Telephone Company to the Council, applying for permission to increase its tariffs, be released for publication, with the exception of a few pages relating to the finances of the Company, and that publicity be simultaneously given to the last paragraph of the minutes of the Public Utilities Committee of October 13.

Mr. Hsu further raises the question of the 5% commission on purchases and the 4½% management fee which the Company has to pay to the International Telegraph and Telephone Company as revealed in the Treasurer's report.

The Treasurer states that payments of this kind are customary in similar organizations in the United States and that as far as he is aware they do not conflict with the terms of the Telephone Company's tariff agreement with the Council. He informs members that his report was not intended as a denunciation of the Company's methods but rather as a set-off against the Company's able presentation of its own difficulties and as a necessary means of showing that their case was not strong enough to justify abrogation of their obligations unless some resulting benefit to the public could be achieved.

Replying to a question by the Chairman as to whether refusal of an early increase in tariffs would not lead to a particularly steep advance in 1935, the Treasurer states that this was a point to which he gave his first attention, as he wished to avoid an unduly large increase in tariffs in 1935.

Replying to members' questions, the Treasurer states that any dividend declared as the result of the anticipated increase in tariffs in 1935 will not recoup the shareholders for past losses. The Company is entitled to earn 8% on invested capital and 2% thereon for its general reserve fund, though he anticipates it may not be able to do so for some time to come.

Replying to the Chairman, the Treasurer states that his suggestion as to "grading up" was informally conveyed to the Company, which was also made aware, in conversations, of all the points raised in his report to the Council.

Replying to Mr. Franklin, the Treasurer states that the facts of the case were placed before M. Verdier, with special reference to the desirability of avoiding a steep increase in tariffs in 1935, and he thinks there is very little chance of the French Council wishing to make concessions to the Telephone Company except in conformity with the Municipal Council. In answer to a further question he states that the management fee charged by the I. T. & T. Co. covers expenses in New York, though he is unable to say whether special work in research laboratories is also covered thereby.

Ricsha Committee. - Mr. Massey states that the Ricsha Committee has recommended that enquiries be instituted as to the earnings of ricsha men and their expenditure, and that for this purpose three special investigators be appointed. The estimated cost of the work, including clerical assistance, is \$700, and the enquiry should be completed within six weeks. The Chinese Assistant Secretary, after consultation with several bureaux and examination of numerous applications, has recommended the engagement of two highly qualified Kiangpoh men, Messrs. Chang Shih-chow and Laou Tse-shoo, at \$100 and \$60 per mensem respectively for one month. He also endorses Miss Hinder's recommendation that Miss Chu, M.A., be engaged as an investigator, and recommends that she be paid \$200 a month for not more than 1½ months. An immediate advance of \$200 to defray the travelling expenses of the field investigators, included in the \$700, is required.

Members agree that the necessary facilities should be provided and it is

RESOLVED that three Chinese investigators be appointed in accordance with particulars submitted to study the earnings and expenditure of ricksha men, with pay at \$200, \$100 and \$60 per mensem respectively, the work to be completed within 1½ months, and the total expenditure, including clerical assistance, not to exceed \$700, of which \$200 is authorized for immediate payment for travelling expenses.

H3/637 Dr. E. F. Duck, Deputy Commissioner of Public Health. - At the request of the Chairman Mr. Massey explains the case of Dr. Duck, who contracted acute anterior poliomyelitis in March last, and is now only able to undertake light duties in his Department, for which he had been previously designated Acting Commissioner during Dr. Jordan's long leave. The Staff Committee debated the matter on October 16 and recommended that Dr. Jordan's views on the case be obtained by cable before deciding what further action should be taken.

Mr. Massey states that the medical board which examined Dr. Duck, and recommended that he be invalided from the Service, comprised his own medical attendant (Dr. Blumenstock), a member of the Public Health Department (Dr. Smith), and an outside member (Dr. Farquharson). The appointment of a member of the Health Department in this case does not seem to be right in principle.

Continuing, Mr. Massey states that before coming to the meeting he was intending to suggest that the medical board's report be forwarded to Dr. Jordan and that he be informed that unless he can show good reason to the contrary and notify the Council accordingly, or unless a new medical board, including Dr. Tarle (a specialist in nervous diseases), the patient's own physician and an outside doctor, to be summoned in two months' time, expresses the opinion that there is good reason to anticipate complete recovery within six months, Dr. Duck be invalided from the Service. By complete recovery he means only the capacity to carry on his full duties.

In view, however, of a letter addressed by Dr. Duck to the Acting Commissioner of Public Health on October 17, Mr. Massey is prepared to regard the matter in a somewhat different light. In this letter Dr. Duck takes a hopeful view of his past and future progress towards recovery. He submits that invaliding him from the Service would be harsh treatment and suggests consideration of two alternatives: (a) retention with some sort of light treatment for a time, and (b) sick leave. The first he thinks unsuitable because (1) light part-time duties are not of much value, (2) his present position in the office is anomalous and (3) his own mental outlook and prospects of improvement would be adversely affected. He is convinced that sick leave would be more

beneficial. He considers that a complete change and an opportunity for special treatment in a neurological clinic in Europe are necessary. He anticipates that after six months' sick leave he would not be still so disabled as to make invaliding a necessity. He adds that he is the only doctor in the Department who has had personal experience in all its divisions.

In view of this appeal and of the tragic state of Dr. Duck, Mr. Massey now proposes that all the information in the case be sent to Dr. Jordan with a request for his opinion thereon by cable, upon receipt of which a more suitably constituted medical board could be appointed and the Council could decide in the light of its report whether Dr. Duck should be granted sick leave or invalided from the Service.

The Chairman states that though he agrees with much of the foregoing statement he is of the opinion that further suspense would be detrimental to Dr. Duck's recovery, and considers that, if possible, the case should not be deferred for enquiries. If the arrangements of the Public Health Department are not too much dislocated he favours giving Dr. Duck six months' sick leave, his return to be conditional on the favourable report of a medical board.

Mr. Massey observes that if Dr. Duck is invalided he would need to be replaced, and if Dr. Jordan is still in England he could look for a new man.

Replying to the Chairman on the question of time available, Mr. Massey states that Dr. Jordan's opinion could be obtained in a few weeks and the new medical board in Shanghai could examine the patient and report at the same time. He adds that the two medical members of the Health Committee, to whom he has stated the facts, are of the opinion that there is no alternative to invaliding Dr. Duck from the Service. In his own opinion the appointment of a new medical board would be much fairer to Dr. Duck. He is considering this matter primarily from the point of view of the staffing and efficiency of the Department.

The Chairman adheres to his previously expressed opinion, and thinks that the Council should take a compassionate view of the case.

After some further discussion, in the course of which the Treasurer states that sick leave followed by a medical board to determine the employee's fitness for duty is in accordance with precedent, it is

RESOLVED that Dr. E. F. Duck be granted six months' sick leave, his return to the Council's service to be conditional on the favourable report of a specially appointed medical board.

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October 18, 1933.

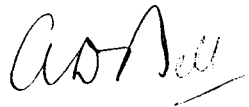
Victoria Nurses' Home. - Mr. Massey reports that the new Victoria Nurses' Home
M 4/5 building is completed and will be occupied about the middle of next week,
possibly October 24, and he suggests that a small informal opening
ceremony take place at 4.30 p.m., when tea will be provided for about
200 guests.

Mr. Massey requests that some publicity be given to this event,
including a statement in the Gazette if possible.

The Chairman observes that this is not an ordinary Municipal
building, but that it is the successor of one which was instituted partly
by public subscription.

RESOLVED that due publicity be given to an informal
ceremony in connexion with the opening of the new Victoria Nurses'
Home, and that the necessary expenditure of about \$250 for the
supply of tea be authorized.

The meeting terminates at 5.45 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, November 1, 1933, at 4.30 p.m.

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 Brig.-Gen. E. B. Macnaghten
 Messrs. P. W. Massey
 O. Okamoto
 Tsuyee Pei
 F. J. Reven
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching

The Secretary General
 The Commissioner of Public Works
 The Treasurer & Controller
 Dr. J. C. H. Wu, and
 The Secretary.

Absent:

Mr. T. Funatsu.

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

FJA Licensing of Factories. - The Chairman draws members' attention to a recent article in a Chinese newspaper outlining two alternative plans for the inspection of factories in the Settlement. The Chairman is of the opinion that if these schemes, although unofficial and not addressed to the Council, represent the views of the Chinese authorities they appear to offer some prospect of a suitable basis for negotiations.

G 2/14 Shanghai Telephone Company - Application for Increase in Tariff. - Replying to the Chairman the Treasurer & Controller states that he has had conversations with Messrs. Gill and Porter, who stated that they were prepared to amend their proposals, and the prospects are that suggestions will be made which can be favourably considered by the Council.

K 25/1 Ricsha Committee. - Mr. Massey states that no reply has yet been received to enquiries addressed to Hongkong six weeks ago. The Chairman states that he will make an effort to expedite matters in this direction.

The Minutes of the meeting of the Traffic Committee of October 20 are submitted and confirmed, with two exceptions as follows:-

93/1
In the matter of Parking Facilities on the Bund, the Commissioner of Public Works, in reply to questions by the Chairman, states that the proposed additional facilities for parking cars on the Bund might be expected to reduce the average parking of cars between Honan Road and the Bund (both exclusive) from about 1,000 to about 700. What is described as the saturation point may be said to have been determined by police restrictions in this area. It is because owners insist on parking their cars outside their office doors whenever possible that vacant parking spaces between Peking Road and Garden Bridge are to be found. A movement is on foot to utilize a public garage in Hongkong Road for parking a large number of cars on payment of a fee. Facilities of this kind should, in the opinion of the Commissioner of Public Works, be encouraged, and more rigid restrictions enforced in the matter of street parking. He still has some doubts regarding the advantage of providing further parking facilities on the Bund because of the possibility of added congestion of the streets in the rush hours, but the Commissioner of Police has expressed himself in favour of this part of Scheme C. Mr. Burgoss, General Manager of the Tramway Company, in a recent interview expressed no views as to the proposal to move the tram lines on the Bund.

The Chairman states that he shares the doubts of certain members of the Traffic Committee regarding the desirability of reserving additional public parking space for the benefit of motor car owners. He thinks that the solution of the parking problem should be left to private enterprise, and an important contribution thereto would be the general adoption of a former proposal by Mr. McBain that the tiffin hour should be reduced from two hours to one hour. The effect would be that owners would send their cars home after arrival in the morning, have tiffin in town and send for their cars again in the evening.

Replying to a question by the Chairman regarding the legal position the Secretary states that portions of the Bund are in reality foreshore over which the Council has no definite rights, and it remains to decide how far they can be reserved for particular uses and to what extent free access to the river front can be denied.

Mr. Arnhold expresses the opinion that the provision of more parking spaces is incidental to the main question of traffic congestion which is getting worse all the time.

The Chairman reminds members that the Traffic Commission was emphatically averse to expenditure of public money on the provision of parking spaces especially in the purchase of land.

The Commissioner of Public Works states that the City Government of Greater Shanghai has long been desirous of establishing a vehicle ferry, and that in his opinion the proposed terminus just inside the southern

boundary of the Settlement is unsuitable. The scheme would involve the provision of parking space for vehicles waiting to use the ferry, and the effect on the traffic and parking situation would be serious.

As regards Scheme C generally the Commissioner of Public Works considers that adjustments on the river front are the most important, the moving of the tram lines come next, and the provision of additional parking space is the least important. The last named improvement however would assist the police in reducing the numbers of cars standing in the streets and so improve the facilities to shoppers.

In the matter of curtailing the tiffin hour, alluded to by the Chairman, the Commissioner of Public Works refers to Recommendation No.6 of the Traffic Commission in 1926 that business firms should be encouraged to adopt tiffin hours differing slightly from one another so as to ease the rush-hour congestion at midday. Mr. Raven believes that many firms would favour a curtailment of the tiffin hour. The Commissioner of Public Works remarks that owner drivers would be adversely affected, and adds that owing to the high price of land it is hardly possible to provide private parking space for much less than \$1 a day. Mr. Harris suggests that one result would be a tendency to conclude the day's business an hour earlier than at present.

The Chairman states that he was looking at the matter from the traffic point of view. In reply to a question by Mr. Hsu he states that the Council could not enforce a curtailed tiffin hour but might lead the way by adopting it in Municipal offices. New restaurants would no doubt appear, to satisfy employees' requirements.

The Commissioner of Public Works states that he would not expect too much from the change. In his opinion a variation of opening and closing hours and tiffin hours would be more effective than a curtailment of the tiffin hour, though even under present conditions Nanking Road suffers from some degree of traffic congestion all day long.

As regards parking facilities the Commissioner of Public Works is of the opinion that if additional space is to be provided it should preferably be West of the Bund, as it is better in the interest of traffic that cars should stop short of the passengers' destination than go beyond it. He also states that he would like to submit to the Traffic Committee as matters for further consideration (1) statistics showing the maximum number of cars which can move in the Central District in a given time, (2) the question of the relative speed of cars in such thoroughfares as Nanking Road and Avenue Edward VII, and (3) statistics on the concentration of cars in motion in each half-hour period throughout the day.

Members agree that the matter requires further study, and before approving Scheme C in principle it is requested that the Commissioner of Public Works submit such additional information to the Traffic Committee as will enable it to formulate a definite recommendation.

The Commissioner of Public Works withdraws.

9/3/2
In the matter of Hire Car Service on the Bund, Mr. Raven states that he has been informed by the companies affected that it is not feasible to utilize an open space on the Bund as a common public garage, as each company would need an individual telephone line, but that if the privilege were farmed out it is probable that it would be accepted, and one company might pay the Council from \$3,000 to \$5,000 a year in fees.

The Secretary states that this proposal has already been negated, as there are, in the opinion of the Council's Legal Adviser, legal objections to granting a monopoly in respect of public land on the Bund.

The Chairman suggests that further consideration might be given to the question of granting such monopoly on a trial basis subject to an assurance that there was no public opposition to the scheme, which might be obtained by announcing that the Council was prepared to adopt it unless any cause to the contrary could be shown. The Secretary agrees that the Council might obviate any legal difficulty by proceeding on these lines.

Mr. Massey considers that as the space in question was not used by private rickshas when it was open to them it might now be made available for a hire car service as suggested.

Members agree that the proposal merits further consideration by the Traffic Committee and direct that in the first place the relative minutes of the Traffic Committee and the Council be circulated to all members before the next meeting.

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

11/9/33
In the matter of Terms and Conditions of Service - Passages, the Chairman regrets that the Staff Committee has not been able to submit a recommendation restricting the number of employees entitled to first-class passages. He considers the present system extravagant especially in comparison with other services where economies have been effected.

11/11/33
In connexion with this and other items in the Staff Committee minutes Mr. Raven enquires why the salaries of employees continue to be expressed in taels.

The Treasurer & Controller replies that the change from taels to dollars is being gradually effected. The Budget for next year will be on a dollar basis, and in the immediate future salaries will be converted to dollars at exchange .715 and so entered in Letters of Appointment. Difficulties such as a shortage of dollars held by the banks have hitherto prevented a complete change of currency in all transactions.

11/12/33
On the suggestion of the Chairman the Treasurer is requested to arrange for all new contracts to be drawn up in dollars, and where

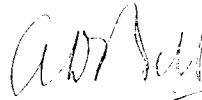
practicable to insert dollar equivalents in brackets when sums are quoted in taels.

The Minutes of the meeting of the Works Committee of October 17 are submitted ^{21/3} and confirmed, except ~~that~~ in the matter of Prevention of Smuggling, in connexion with which the scheme recommended involving the creation of Customs barriers and their control by the police is approved in principle subject to the details being worked out by the departments concerned.

The Minutes of the meeting of the Education Board of October 25 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of October 26 are submitted and confirmed.

The meeting terminates at 6.15 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, November 15, 1933, at 4.30 p.m.
there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 Brig.-Gen. E. B. Macnaghten
 Messrs. P. W. Massey
 O. Okamoto
 Tsuyee Pei
 F. J. Raven
 T. D. Woo
 Yu Ya Ching
 L. T. Yuan
 The Secretary General
 The Treasurer & Controller
 The Acting Commissioner of Public Health, and
 The Secretary.

Absent:

Mr. T. Funatsu.

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

4-2/14
 In the matter of Shanghai Telephone Company - Application for Increase in Tariff, the Treasurer & Controller states, in reply to the Chairman, that further suggestions have been made and that he will report thereon for the information of the Public Utilities Committee in due course.

9-3/1
 In the matter of Parking Facilities on the Bund, the Chairman states that the question is being dealt with by the Departments concerned, and that a report will be made for the guidance of the Traffic Committee.

9-2/12
 In the matter of Hire Car Service on the Bund, the relative minutes on which have been circulated to members, the Chairman suggests, and Mr. Massey agrees, that further reference to the Traffic Committee is unnecessary. The Chairman suggests that steps be taken in accordance with the procedure indicated at the last meeting to provide parking space for hire cars on the Bund for an experimental period of one year.

Members concur, and it is

RESOLVED that announcement be made of the Council's intention to allocate a space on the Bund for the use of a hire car service unless any cause to the contrary can be shown, and that if no valid objections to this course are forthcoming tenders be invited for the operation of such service for a trial period of one year.

93/10 Closing Hour of Houses of Public Entertainment. - Mr. Harris enquires whether any information is available regarding co-operation by the French Council in the enforcement of the closing hour regulations for cabarets, which formed the subject of a recommendation by the Watch Committee on October 26.

The Secretary replies that from conversations he has had with Commandant Fabre it appears that since the French Authorities came to an understanding with the Council on this matter they have revised their policy, and that cabarets in the French Concession are now divided into two groups; (1) those patronized principally by soldiers and sailors, which are strictly required to close at 2 a.m., and (2) better class cabarets which, at discretion, are allowed to remain open until 3 or 4 a.m., except where an earlier closing hour is enforced in case of scandal or offence. The French Authorities do not seem desirous of adhering to a uniform closing hour of 2 a.m. and are not disposed to enforce the rules adopted by the Municipal Council.

The Secretary General states that the Council began to take joint action with the French Authorities about ten years ago, but that the latter never fulfilled their assurances, which were renewed in 1929. The Secretary adds that they consider it necessary to make it possible for visitors to Shanghai to remain in cabarets until 3 or 4 a.m.

Mr. Arnhold states that he understands the Council's intention is to enforce the present regulations in the Settlement regardless of what is done in the French Concession.

Mr. Massey is of the opinion that a definite protest should be made to the French Council, and that if there is no favourable response the correspondence should be published in the Gazette in accordance with the Watch Committee's recommendation. He agrees with Mr. Arnhold that the regulations should be enforced in the Settlement in any case.

The Chairman states that he is reluctant to take a strong line with the French Council unless a fairly definite breach of agreement is proved. He also agrees that the 2 a.m. rule should be enforced in the Settlement.

The Secretary states that he is not sure to what extent establishments in the Settlement strictly comply with the closing hour regulations. As regards co-operation by the French Authorities he states that a measure of reciprocity was agreed upon in correspondence which was published by them but that no binding agreement was reached. The Secretary General adds that there was nothing to prevent the French Council from making later changes in the closing hours.

Members agree with the Chairman's view that no definite action should at present be taken in respect of the French Council's attitude on this subject. It is finally directed that the facts of the case be

circulated to members and that the matter be discussed at a later meeting.

D/17
The Minutes of the meeting of the Library Committee of November 2 are submitted and confirmed.

Mr. Tsuyee Pei enquires whether figures showing the attendance of Chinese and foreigners at the Library can be obtained. Brig.-General Macnaghten undertakes to produce this information at the next meeting.

The Minutes of the meeting of the Staff Committee of November 3 are submitted and confirmed with the following exception:-

A/3/22
Public Health Department - Additional Assistant Medical Officer. - Mr. Franklin and Mr. Raven have questioned the accuracy of the recorded recommendation, since it was their understanding that the vacancy was to be advertised in America as well as in England and locally. Mr. Massey states that the advisability of doing so was discussed but not agreed to, owing to the urgency of the matter. It is still possible to advertise in America, but if this is done the selection of a suitable candidate will be delayed.

The Chairman expresses the view that this is the type of appointment which could quite well be filled by a Chinese or Japanese doctor obtained locally, and that it is not desirable to get a man from such a distance as England or America. In his own experience it has been possible to engage locally men qualified for advanced medical research.

Mr. Raven states that this possibility was not ignored by the Staff Committee.

The Secretary states that it was the Acting Commissioner of Public Health who expressed a preference for a European medical officer for this particular post in view of the depletion of the foreign doctors on the staff and that his recommendation was endorsed by members of the Health Committee.

Mr. Massey states that it was desired to take advantage of Dr. Jordan's advice while he was still in England, but that the appointment need not necessarily be made before his return to Shanghai.

On the proposal of the Chairman it is

RESOLVED that the appointment of an additional Assistant Medical Officer be advertised as widely as possible, i.e., in England, America, Japan and China.

The Minutes of the meeting of the Education Board of November 8 are submitted and confirmed.

A/23/1
In the matter of Secondary School for Chinese Girls (Temporary Premises), the Chairman states that he proposes to discuss with the Commissioner of Public Works the Education Board's desire to obtain a temporary extension of the lease of the present premises at No.914 Avenue Road until the new school building is ready for occupation, but

with the further object of ascertaining whether, as an alternative, the erection of the new building could be accelerated so that it would be ready for occupation by September, 1934.

Mr. Raven is of the opinion that the work could be expedited, and suggests that it might be worth while to offer the contractor a bonus equal to the rent which would be saved on the extension of the present lease as a means of ensuring that the new building would be completed by September.

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

1908 Waterworks Company - General Metering. - The Chairman states that he has just received a letter from the Chinese members on the subject of metering. It is not possible to give it consideration at such short notice, but the whole question has been engaging the attention of the Treasurer & Controller and will be placed before the Public Utilities Committee on Monday next.

The Commandant of Volunteers attends.

X6/12 Volunteer Recruiting Committee - Constitution. - The Commandant suggests the appointment of a Committee of two or three members of Council who would co-opt other members from outside. The Committee would approach the Chambers of Commerce and urge them to induce their members to enable employees to join the Volunteer Corps. An S.V.C. Officer would then visit the firms and make personal contacts. The Commandant himself has called on the American Chamber of Commerce but not the British. He is not in favour of issuing an appeal without discrimination, as it would result in offers from undesirable persons.

The Chairman states that several names have been proposed for the Committee, i.e., the Chairman of the Watch Committee (Mr. Arnhold) and Messrs. Massey, Franklin and Harris, with Mr. Wilhelm Meyer as an outside member. The Commandant further suggests the Chairmen of the British and American Chambers of Commerce (Messrs. Calder-Marshall and French).

Replying to Mr. Hsu the Commandant states that there is a long waiting list for the Chinese Company, which has its full complement.

On the Chairman's proposal it is

RESOLVED that a Volunteer Recruiting Committee be appointed to secure additional enrolments in the Volunteer Corps, principally British and American, and that its members be Messrs. H. E. Arnhold, P. W. Massey, C. S. Franklin and E. F. Harris, with power to co-opt.

The Commandant of Volunteers withdraws.

CMS
1 General Hospital - Building Committee. - A letter has been received from the Secretary of the General Hospital extending an invitation on behalf of

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November 15, 1933.

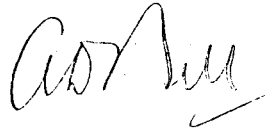
the Board of Governors to the Commissioners of Public Health and Public Works to serve on a special Committee which it is proposed to establish to examine future building requirements. The other members of the proposed Committee are to be the Chairman of the Board of Governors, Shanghai General Hospital, Drs. Gauntlett, Bryson, Dunn and Santelli, and Rev. Pere Jacquinet.

The Acting Commissioner of Public Health considers it essential that his Department be represented on the proposed Committee. The Commissioner of Public Works is willing to give assistance to the Committee either himself or through a senior member of his staff.

Members agree to the above request, and it is

RESOLVED that the Commissioners of Public Health and Public Works or their representatives be authorized to serve on the special Building Committee to be convened by the Board of Governors of the General Hospital.

The meeting terminates at 5.50 p.m.



Chairman.


Secretary

At the meeting of the Council held on Wednesday, November 29, 1933, at 4.30

P.M., there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 C. S. Franklin
 E. F. Harris
 Brig.-Gen. E. B. Macnaghten
 Messrs. P. W. Massey
 Tsuyee Pei
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General
 Dr. J. C. H. Wu, and
 The Secretary.

Absent:

Messrs. T. Funatsu
 S. L. Hsu
 O. Okamoto
 F. J. Raven

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

93/10 Closing Hour of Houses of Public Entertainment. - Replying to members the Secretary states that he has unofficially transmitted to M. Verdier the Council's views on this question.

Mr. Harris suggests that a letter couched in friendly terms be addressed to the French Council emphasizing the Council's desire that there should be uniformity in the matter of the closing hour in the two areas; otherwise he submits that the object of the Watch Committee in recommending adherence to the existing closing hour will be defeated.

In this respect the Secretary points out that decision in this matter rests with the French Consul General and the Chief of Police

Mr. Harris then suggests that a letter might also be addressed to the Chinese Authorities seeking their co-operation in this matter.

In agreeing that unless the closing hours of such establishments in the Settlement, the French Concession and the outside roads areas are uniform a further demand from the Settlement cabaret proprietors for an extension of the opening hours may be forthcoming the Chairman supports Mr. Harris' proposal.

RESOLVED that letters be addressed to the French Municipal Authorities and to the Chinese Authorities requesting them to adopt in the areas under their jurisdiction the closing hour for cabarets authorized for those in the Settlement.

Public Health Department - Additional Assistant Medical Officer. - The proposal of Mr. Massey that in order to permit applicants for this post additional time to submit their applications the closing date for same be extended to January 31, 1934 is adopted.

Outside Roads Negotiations. - For members' information the Chairman makes the following statement. On October 3 the Secretary General reported that these negotiations had become deadlocked on account of the differences of opinion which obtained in the matter of the proposed new police force. Shortly afterwards Sir Miles Lampson visited Shanghai and conferred with him on two occasions. As a result of these discussions a fresh proposal was drafted which while not differing greatly from the intention of the previous proposals appeared to him to be framed in a form more satisfactory than any of its predecessors. Briefly, this proposal provided for a Chinese officer to be appointed in charge of the entire force and Chinese senior officers in charge of the Northern area and of the Western area. Assuming that a head office would be created and administered by the chief Chinese official a deputy Commissioner of foreign but non-Japanese nationality was provided for and as No.3 on this staff an Assistant Commissioner of Japanese nationality. The proposed personnel of the Force numbered 330, composed of 250 Chinese, 50 Japanese and 30 other foreign nationals. In the Northern Area it was proposed that a Japanese Superintendent should be appointed and immediately under him a foreign Inspector. In the Western district provision was made for a foreign (non-Japanese) Superintendent and a Japanese Inspector. In his opinion these proposals are reasonable having regard to the preponderance of Japanese and non-Japanese residents in the Northern and Western Districts respectively. These proposals having been brought to the notice of the Japanese Consul General and later approved by his Government were conveyed by the British Minister to the Nanking Authorities for their consideration. Within the last few days however advice has been received that the proposals are not acceptable to Nanking. This morning Mr. Yui has formally intimated that negotiations on the question of the personnel of the Force must be regarded as at an end.

Continuing, the Chairman states that it has been apparent to any impartial observer during the past few weeks that there has been a change of policy on the part of the Chinese Authorities as instanced by the incidents which have occurred during that period. In support of this opinion the Council has been notified by the Consular Body that instructions have been issued by the Mayor to the District Court regarding

recovery of control on the outside roads. Detailing then certain incidents which in themselves are not of major significance and which have subsequently been settled the Chairman expresses apprehension that a continuation of these relatively minor incidents may lead to other clashes of a far graver nature. In his opinion the recent attitude of the Chinese Authorities calls for a general stiffening up of the policy hitherto adopted by the Council by means of an increased number of municipal police functioning on the outside roads in the interests of their residents. Whilst he appreciates to some extent the inability of the Chinese Authorities to agree to a proposal which provides for 50 police of Japanese nationality in his opinion this is not the sole reason for the change of attitude on the part of the local Chinese authorities. While a number of these officials have assisted and continue to assist towards a settlement of this vexed question another element is opposed to any agreement being reached which will involve a strict accounting of funds and the extension of the Council's principle that employees are remunerated by salary only.

In contrast with the position above outlined the Chairman states that Mr. Yui has today notified the Secretary General that he is prepared to continue with negotiations on the other cognate questions connected with the administration of the outside road areas. As hitherto the Greater Shanghai Authorities have maintained that a settlement of the question relating to the Police Force is a condition precedent to discussion of other outstanding points this information is gratifying.

In conclusion the Chairman reiterates his opinion that as hitherto the Council has exercised extreme patience the Greater Shanghai Authorities should be given clearly to understand that the Council will not tolerate further encroachments on its rights pending a final settlement and that steps should be taken to increase the municipal police on the outside roads.

At the Chairman's request the Secretary General furnishes the following further information. During a recent discussion with Mr. Yui he (the Secretary General) asked him frankly whether there was any recent change in the attitude hitherto adopted by the Greater Shanghai Authorities. Mr. Yui replied that when these negotiations were initiated in 1931 the intention was to find a modus vivendi which would not interfere with the position of either party. He stated that the Chinese Authorities had never receded from the position that they had police rights on the outside roads; he realized however that the Council advanced a similar claim. The fundamental idea of the modus vivendi was to discover some means of co-operation which would not result in either side abandoning its contention. Mr. Yui submitted that the negotiations had failed on account of a political issue being interjected i.e., the demand of the Japanese to have Japanese officers in the proposed Police Force. Mr. Yui informed him that whilst the Nanking Authorities desired to co-operate with the Council they could not in any circumstances agree to the proposal that high

Japanese officers be appointed. In reply to a further question Mr. Yui assured him that there had been no recent change in the policy of the Greater Shanghai Authorities and that no instructions had been issued by Nanking to effect this. Whilst he deprecated the incidents which have recently occurred in these areas and fully appreciated that others of a more serious nature might occur he renewed his assurance that they had not occurred as a result of instruction by responsible Chinese officials. As stated by the Chairman Mr. Yui has intimated his willingness to discuss other outstanding points regarding taxation etc., question by question and with the Council's approval negotiations thereon will be continued. Both he and Mr. Yui realizes that any arrangements mutually agreed on these other outstanding points would be tentative only and would not form the subject of a formal agreement. In conclusion Mr. Yui desired him to convey to the Council his feeling that the negotiations which were instituted in a friendly spirit had broken down solely for reasons of which the Council was aware and that he was prepared so far as conditions permitted to co-operate with the Council with a view to prevent a repetition of the recent incidents.

Relative to the Chairman's proposal that consideration be given to the strengthening of the municipal Police Force on the Outside Roads Mr. Pei is of opinion that such action will merely serve to aggravate an already potentially dangerous position. So far no proof has been adduced that the responsible Chinese officials have been antagonistic towards the Council. He therefore urges that the Council should not embark on any action which might engender suspicion and hostility in the Greater Shanghai Authorities.

The Vice-Chairman agrees that the Council should endeavour to maintain friendly relations with the Chinese Authorities. At the same time he considers that they should be given clearly to understand that the Council is determined to protect its own property. He recalls that at a conference held in 1928 a gentleman's agreement was reached that pending a final settlement of this question the Council would build no further roads and the Chinese authorities would not encroach on existing municipal roads. In the following year the Council were informed by the Chinese that they regarded the repair of existing roads as tantamount to the building of new roads. As a result the Council had no alternative but to send an armoured car to accompany the repair party on one of these roads. Similar action had to be taken for the repair of Woosung Road. He is strongly averse to any policy under which further encroachments on the Council's policy would be tacitly ignored. He is also opposed to the existing policy under which application is made to the Greater Shanghai Authorities for permits to repair municipal roads; a policy which he advocates should be abandoned. Moreover in 1929 the Chinese Authorities commenced to police these roads and in recent years have increased the number of police functioning thereon, a further breach of the gentleman's agreement above referred to. In his opinion unless a firm attitude is taken by the Council progress on the various outstanding points will be impossible. He therefore proposes that a

letter be addressed to the Consular Body enumerating the activities of the Chinese Authorities on the outside roads, a continuation of which will undoubtedly lead to incidents of a grave nature and requesting them to make it clear to the Chinese Authorities that the Council will maintain intact its rights on these roads.

In connection with the report prepared by Mr. Justice Feetham Mr. Harris states that it is his understanding that a round table Conference was contemplated to discuss the status of the Shanghai area. So far nothing on these lines has been done. Accordingly he suggests that as an initial step the Council might formally adopt the Feetham Report and make representations to the Consular Body for the convening of a round table Conference.

Upon the Vice-Chairman suggesting that progress might be facilitated if the Chinese members would take up the whole question with Mr. Yui, the Chinese members undertake to do this.

After further discussion and upon members generally supporting the Vice-Chairman's proposal that a letter on the lines suggested be addressed to the Consular Body Mr. Franklin's proposal is adopted that in order to give the Chinese members an opportunity of discussion with Mr. Yui despatch of this letter be deferred for two weeks: in the meantime the Secretary General is authorized to continue his negotiations on other outstanding points with Mr. Yui.

The Minutes of the meeting of the Public Utilities Committee of November 20 are submitted and subject to the following amendment are confirmed.

Application from Bureau of International Telegraphs for Permit to lay Cable. - Arising out of a suggestion put forward by Mr. Harris and upon consideration of a memorandum thereon prepared by the Secretary it is

RESOLVED that the words "by the Bureau of Telegraphs"

at the conclusion of this recommendation be deleted.

Shanghai Waterworks Company - Relative to the constitution of a Board of Reference to act in an advisory capacity to the Committee the Treasurer & Controller states that he has informally discussed with Mr. Feng Ping Nan and the Secretary the Terms of Reference thereto, a copy of which will shortly be circulated to members.

The Minutes of the meeting of the Health Committee of November 22 are submitted and subject to the following exceptions are confirmed.

Mental Hospital Site. - In respect to the recommendation that this building be erected on the site to the rear of the new Public & Thomas Hanbury School for Girls the Chairman proposes and members concur that before being confirmed it be reconsidered in order (1) that the Education Board may be satisfied that the close proximity of the Mental Hospital to the School building will be in no way detrimental to the interests of its

pupils and (2) to ascertain whether this building could not be erected on the site in Great Western Road originally agreed upon.

C11/8
Western Fever Hospital Site. - In noting that decision on this question is deferred members record the view that the feasibility of erecting this building on the Great Western Road Site and of a portion of the Victoria Nurses Home being utilized for the accommodation of the staff employed at the Fever Hospital should be further explored. In respect to certain statements in the Committee's minutes the Secretary General states that he has no knowledge of objections being made by the Board of Governors of the Country Hospital against such employees being accommodated in the new Nurses Home.

C8/4
Country Hospital - Reduced fees for Medical Profession. In respect to this recommendation members generally concur with the Chairman that the proposed reduction of fees is unnecessary.

The Secretary General states that as Chairman of the Board of Governors of the Country Hospital he only supported this proposal on the ground that the Board considered a wrong impression might be conveyed to the public on account of the majority of medical practitioners entering the General Hospital which grants them a concession by means of reduced fees and he suggests that if the Council negatives this recommendation the General Hospital authorities be requested to abandon this practice.

In view of the fact that neither hospital is self-supporting and that the Council has to furnish financial assistance annually to both Institutions it is

RESOLVED that the Committee's recommendation be not approved and that the General Hospital be addressed with a view to the concession granted to medical practitioners entering that Hospital for treatment being discontinued.

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

The Minutes of the meeting of the Finance Committee of November 24 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of November 27 are submitted and subject to the following observations are confirmed.

K
Volunteer Corps Regulations. - The Chairman observes that by adoption of this recommendation the position of Civil Commandant held for many years by the Chairman of Council lapses. While he agrees that the amendments now proposed place the Corps in the same position as other Departments in their relation to the Council, on the grounds of tradition and of association he regards with a certain measure of regret the severance of this bond between the Corps and the Chairman.


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Upon members concurring in this view the Secretary is requested to draft an additional clause which while not conferring any power on the Chairman in his capacity of Civil Commandant will retain the honorary rank either under the old or under a new designation.

Ricsha Committee - Interim recommendation on Licensing procedure for Private

9/29/33 Ricshas - Press Campaign. - The recommendation of the Ricsha Committee that a Press campaign on the lines suggested be undertaken within the next two weeks notifying present and potential private ricsha licence holders that licences will be issued to bona fide owners only and warning them of the penalties incurred if such vehicles are improperly used is unanimously adopted.

The meeting terminates at 6.40 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, December 13, 1933, at

4.30 P.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 C. C. Franklin
 E. F. Harris
 S. L. Hsu
 Brig.-Gen. E. B. Macnaghten
 Messrs. P. W. Massey
 O. Okamoto
 Tsuyee Pei
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Acting Commissioner of Public Health
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. T. Funatsu
 F. J. Raven.

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

9/3/10 Closing Hour of Houses of Public Entertainment. - In accordance with the resolution adopted at the last meeting the Secretary states that he has addressed letters to the French Municipal Authorities and to the Chinese Authorities enquiring what regulations obtained in their respective areas and enquiring of the French Authorities whether any change had been made in the regulations which were adopted by both Councils in 1930. He emphasized the Council's desire to secure uniformity in this respect. Before the reply was received from the French Authorities he called upon M. Verdier and M. Pauraz who informed him that the official reply (which has since been received) would be to the effect that no change whatever has been made in the closing hour regulations. M. Verdier however informed him unofficially that the Police in the French Concession were given wide discretionary powers which were not likely to be reduced whatever municipal ordinances were promulgated. He was definitely of opinion that whatever closing hour was agreed upon between the two Councils the present lack of uniformity would be likely to continue. No reply has yet been received from the Chinese Authorities.

129 Outside Roads Negotiations. - The Chairman state that since the last meeting a change has occurred in the attitude of the Chinese Authorities and that they have now expressed their willingness to continue the negotiations in respect to the policing of these roads. The Vice-Chairman and the Secretary General have been invited to meet the Chinese representatives within the course of the next few days. Pending the result of those renewed discussions the Chairman proposes, and members concur, that the despatch of the letter to the Consular Body, be withheld.

130 Shanghai Waterworks Company. - In connection with the Terms of Reference to the Board of Reference, copies of which have been circulated to members, the Treasurer & Controller states that a certain difficulty arose owing to a suggestion on the part of Mr. Feng Ping Nan that the Board should be empowered finally to dispose of matters referred to it. He informed Mr. Feng that as the consumer has a right of final appeal to the Council the status of the Board would necessarily be an advisory one. Whilst Mr. Feng did not desire to press this point he has asked him to inform the Council that he was until his recent conversation with the Treasurer under the impression that provision would be made in the Terms of Reference to enable the Board finally to dispose of matters in dispute. The Treasurer therefore suggests that on the Terms of Reference as now submitted being approved when a formal invitation is sent to Mr. Feng to join the Board it be stated that his views on this point have been noted by the Council.

Members concur in Mr. Feng's view and that expressed by the Treasurer & Controller as to the desirability of as many of the cases as possible which are referred to the Board being settled by the Board although it is appreciated that such can only be settled by agreement and an intimation to this effect will be embodied in the letter of invitation to be addressed to Mr. Feng.

In respect to the membership of the Board upon the Treasurer stating that he understands that Mr. Carney is willing to serve, it is

RESOLVED that the Terms of Reference be approved and that invitations to serve on the Board of Reference be addressed to Messrs. Carney and Feng Ping Nan and that these members together with the Treasurer & Controller form the membership of this Board with power to co-opt thereto additional members not exceeding two in number.

Shanghai Telephone Company - Finances. - At the Chairman's request the Treasurer & Controller furnishes the following information:-

In his memorandum of October 13 last he dealt with certain features of the Telephone Company's application for an increased tariff. Therein he stressed that this application was materially influenced by the fact that a considerable portion of the Company's invested capital had been raised in U.S. dollars and has been charged up to the Company at estimated rates of exchange. Members will recall that the application contemplated

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an increase in the tariff of charges of 41% in 1935. In his negotiations with the Company he has emphasized that in the interests of subscribers no Company can afford to carry such a heavy exchange risk as that involved by its U.S. capital. The Company officials have endeavoured to raise sufficient silver capital to convert its U.S. dollar obligations but its efforts in Shanghai as well as through the Parent Company in New York have been unsuccessful. In order to assist the Company to turn a difficult corner he informed its officials that he was prepared to recommend to the Council the following proposal for adoption. That on the understanding the Company would withdraw its application for an immediate increase in Subscribers' rates and would accept an increased tariff under the Franchise Agreement in 1935 not exceeding 25% with no further increase for two years thereafter, the Council would finance an arrangement to permit its invested American dollar capital being converted to silver. As an alternative to the 25% limitation he had proposed that the increase in tariff in 1935 should be limited to a maximum of 20% by means of suspending transfers to Reserves. This proposal was not so satisfactory however owing to the provisions of the franchise which permits the Company to set aside 2% of its capital for Reserve purposes and would thus involve a variation in the Franchise Agreement. With respect to the apportionment of the increased tariff between large and small users, a scheme which the Company was considering, this subsidiary question will be considered independently at a later date. As regards financing the conversion of the gold dollar capital the total sum required is approximately Tls.6,000,000. At the end of this year he will have available a sum of Tls.2,000,000 in respect of S.M.C. debenture issues redeemed and a further Tls.2,000,000 to invest under sinking fund arrangements. He proposes that this total sum be advanced to the Company at 6 $\frac{1}{4}$ %, the additional $\frac{1}{4}$ % above the 6% rate being added to stress the fact that the Council's security would represent a second mortgage only. This arrangement would in his opinion be mutually advantageous. In respect to the balance of Tls.2,000,000 to finance this transaction he has arranged with the Hongkong & Shanghai Banking Corporation to advance the amount upon similar terms. Regarding other features of the Company's financial arrangements referred to in his earlier memorandum notably its relation to its parent Company the latter has now agreed that the system whereunder monthly balances are struck with interest thereon compounded and credited to the parent Company shall cease. In respect to the supervisory fee drawn by the parent Company he has ascertained that this charge obtains throughout the I. T. & T. system all over the world and the parent Company is unable to agree to any variation in this matter. Mr. Gill has however at his request agreed to furnish full particulars in justification of this payment and if necessary further discussion on the point will take place. He does not consider that this is a matter upon which the Council can take a very strong stand.

Replying to members the Treasurer states that he is satisfied that there is ample cover for the service of the proposed joint loan of £1s.6,000,000 and that the mortgage would run until the end of 1937 although calls could be made for repayment in sums of £1s.500,000 or £1s.1,000,000 as from the end of 1934 on six months' notice. The Trust Deeds for the Municipal Debenture sinking fund and other funds provide for such investments. In his opinion adoption of his proposal will be definitely advantageous inasmuch as subscribers will know precisely the maximum amount they will be called upon to pay up to April 1937. So far as the tariff rate is concerned the Council by adoption of his proposal commits itself only to an increase not exceeding 25% in 1935 although the actual rate of increase might ^{conceivably be} ~~be~~ considerably less. Under the conditions stated by him the present application for an immediate increase in charges is withdrawn.

After general discussion it is

RESOLVED that a sum of £1s.4,000,000 be loaned by the Council to the Telephone Company upon the terms and under the conditions proposed by the Treasurer & Controller and that the necessary mortgage deed be prepared.

C/17 Country Hospital - Reduced fees for Medical Profession. - The Secretary informs members that letters on this question have been addressed both to the General Hospital and the Country Hospital. Replies thereto have not yet been received.

The Secretary General states that this matter was further discussed by the Board of Governors of the Country Hospital at its last meeting and the non-medical members were strongly in favour of this concession being granted. The Board has decided to address the Council requesting that its decision be reconsidered.

K6/18 Volunteer Corps Regulations. - The Secretary states that he has further discussed with the Commandant the question as to the retention of the title of Civil Commandant hitherto borne by the Chairman of Council and it is suggested that the title "Honorary Commandant-in-Chief" be adopted in future. Col. Thoms considered this title more in keeping with honorary ranks conferred elsewhere which would rank higher than that of Commandant whereas the title of Civil Commandant was misleading and did not involve any precedence over that of Commandant (Military).

After brief discussion members record the view that a change in the designation of this position is not desirable.

RESOLVED that the title of Civil Commandant of the Volunteer Corps borne by the Chairman of Council be retained.

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

The Minutes of the meeting of the Health Committee of December 7 are submitted and subject to the following observations and exception, are confirmed.

C 13/5 Western Fever Hospital. - In respect to the accommodation in the Victoria Nurses Home of nurses employed in the Western Fever Hospital the Chairman states that he considers it desirable before committing itself in this respect to ascertain the views of the Commissioner of Public Health.

Upon members concurring in this view no action will be taken in this matter until the return of Dr. Jordan from long leave.

C 3/4
B 2/30 Mental Hospital. - In respect to this recommendation Mr. Hsu states that Mr. Loh Pa Hong, well known for his philanthropic activities, is inaugurating a scheme for the erection of a mental hospital in the vicinity of Minghong to accommodate 2,000 patients. Mr. Loh has approached the French Municipal Authorities for their financial assistance and he understands that the French Council at its last meeting decided to support this scheme rather than to erect a Mental Hospital in its area. Mr. Loh will similarly approach this Council. He therefore suggests that the proposal for the erection of a new Mental Hospital be considered in conjunction with the application by Mr. Loh.

The Secretary states that a letter was received from Mr. Loh recently and this at present is under departmental consideration.

RESOLVED that prior to recording decision as to the erection of a new Mental Hospital on the site adjoining the new Public & Thomas Hanbury School for Girls the application submitted by Mr. Loh Pa Hong be considered by the Health Committee.

A 16/1 School Medical Inspection. - This recommendation is adopted subject to the concluding words "that a fee not exceeding \$1,500 be authorized for her services" being amended to read "that expenditure not exceeding \$1,500 be authorized for this initial survey."

The Acting Commissioner of Public Health withdraws.

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

A 11/2 Recognition of the Council's Schools and School Leaving Certificate. - The draft of the letter to be transmitted to the Bureau of Education is approved.

A 2/4
A 9/3 Educational Grants-in-Aid. - In view of the increased number of applications received for educational grants-in-aid the Chairman suggests the desirability of an early meeting of the Finance Committee being held in order that the Education Board may secure information as to the total amount for this purpose which will be available for 1934.

A 18/8 Ward Road Gaol. - The Chairman states that during the past week he has been visited by a distinguished English lady, Miss Fry, who has been brought to Shanghai in connection with the Universities China Committee. Miss

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Fry has visited Ward Road Gaol and has drawn his attention to certain unsatisfactory features of the Gaol. These unsatisfactory features may be summarized as follows:- (I) The close proximity of the Juvenile Block to the section housing adult prisoners (II) the lack of remedial training to fit such juveniles for their return to civil life (III) the fact that owing to overcrowding some 1,500 long term prisoners cannot take part in any of the industrial activities of the Gaol.

In the interests of the Gaol he suggests that the Watch Committee might delegate some of its members periodically to visit the Gaol and to report upon any defects which they consider might be remedied.

The Secretary General observes that representatives of the Chinese Government have visited and reported satisfactorily on the conditions at the Gaol. Dr. Wu states that when he was President of the District Court he inspected the Gaol each month and was satisfied with the conditions obtaining. He agrees however that since that time the number of its inmates has considerably increased.


General Macnaghten considers that the Extra Commissioner of Police should render reports from time to time on conditions in this Gaol with proposals for remedial measures which could be put into effect.

The Chairman's proposal is then adopted that this question should be referred to the Watch Committee, Dr. Wu to be invited to such meeting in order to furnish his views.

The meeting terminates at 6.35 p.m.



Chairman.


Secretary.

At the meeting of the Council held on Wednesday, December 27, 1933, at

4.30 P.M., there were:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnold (Vice-Chairman)
 G. S. Franklin
 E. F. Harris
 Brig.-Gen. E. D. Macnoughton
 Messrs. P. W. Massey
 C. Okamoto
 Tsuyee Fui
 T. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ka Ching
 The Secretary General, and
 The Secretary.

Absent:

Messrs. T. Funatsu
 S. L. Hsu.

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

93/10 Closing Hour of Houses of Public Entertainment. - The Secretary reports that no reply to the Council's letter has been received from the Chinese Authorities and that from unofficial conversations with the Chinese officials he gathers that there is little likelihood of uniformity being reached.

§129 Outside Roads Negotiations. - The Vice-Chairman informs members that since the last meeting he and the Secretary General have met the Chinese representatives, and in the course of general discussion he suggested that they might see their way to signing the agreement negotiated last year leaving the matter of the policing of these roads to be dealt with by an exchange of correspondence. Upon this suggestion being referred to Hanking the question was raised as to whether the Police Force functioning on these roads would operate under Chinese or Municipal regulations. The Chinese officials were informed that the Council's representatives could not commit themselves as to this and upon examination of the Chinese regulations by the Secretary General it was obvious that the Council could not agree to these being applied to the Outside Roads area. Whilst the Chinese representatives realize the necessity of Japanese nationals being included in this Force the stumbling block would appear to be the proposal that the third senior officer in the Central Office should be a Japanese. The question of signature of the agreement initiated last year has been again referred to the Hanking

Authorities and upon a further communication being received from them the negotiations will be resumed.

8/4/14 Shanghai Waterworks Company. - The Secretary reports that the Company has raised two minor objections to the Terms of Reference to the Board of Reference; these objections however are mainly concerned with phraseology and upon slight amendments being effected he does not anticipate any difficulty in securing the Company's approval thereto.

8/2/14 Shanghai Telephone Company - Finances. - The Secretary reports that a number of discussions have taken place, and are continuing regarding the drafting of the mortgage deed.

Mr. Pei states that he has learned from the Company that the Council is guaranteeing the sum of Tls.2,000,000 which the Bank has agreed to loan to the Company. From the information furnished by the Treasurer & Controller at the last meeting he did not realize that it was proposed that the Council would assume this liability. Members agree that this point was not made clear at the last meeting nor did the majority appreciate that there was a difference in the Council's favour of $4\frac{1}{2}\%$ in the interest payable to the Council and the Bank respectively.

Mr. Harris states that under this arrangement the Council is virtually borrowing Tls.2,000,000 from the Bank and he considers that it would have been to the Council's interest to raise this sum by means of the issue of short term debentures at a lower rate of interest.

In this respect the Secretary states that the Treasurer at the last meeting was unable to agree as to the possibility of obtaining money at a cheaper rate. Accordingly he regarded the terms arranged as satisfactory; the mortgage deed between the Council and Company is being drawn so as to cover the total amount of Tls.6,000,000, i.e., four million lent by the Council and the guarantee for two million.

Mr. Harris adheres to his opinion that as the Council is guaranteeing this amount the interest rate is unduly high and he considers a short term debenture issue callable say at the end of 1934 could have been issued at $4\frac{1}{2}\%$ - 5% .

Mr. Lassey considers that the announcement issued regarding this transaction conveys a wrong impression to the public since there is no indication in such announcement that the Council is guaranteeing the amount advanced by the Bank.

Upon the Chairman enquiring whether conclusion of the arrangement with the Company and the Bank is urgent prior to the Treasurer's return the Secretary states that it was proposed to transfer these funds to the Company on Friday next.

Having regard to the fact that the Treasurer has made a definite arrangement with the Bank and as the Company's efforts to secure a loan elsewhere have failed the Vice-Chairman considers these

arrangements should be proceeded with.

Upon Mr. Harris suggesting that the guarantee to the Bank should be eliminated and that two mortgages be prepared, one between the Council and the Company and the other between the Bank and the Company, the Secretary states that as the latter would be in the nature of a contributory second mortgage there is little likelihood that the Bank would agree to this proposal, and it would involve a variation from what he understood the Treasurer had arranged with the Bank.

The Vice-Chairman is of opinion that it would be unwise to attempt to vary the terms of the existing arrangement since so far as he is aware there is no other institution other than the Hongkong & Shanghai Banking Corporation which could afford these facilities without the delay which would ensue from reference to its head office.

Mr. Massey favours the existing arrangements being permitted to stand provided the announcement already published is clarified. In this respect Mr. Pei considers the Bank may object to a public announcement concerning its private transaction; he suggests that if any further announcement is made it should be to the effect that the Council holds a mortgage for the total sum of Tls.6,000,000 without any reference to the Bank.

The Chairman concurs as to the desirability of the existing arrangements being concluded without delay as in his opinion the Treasurer & Controller undoubtedly has excellent reasons for the terms he has made. Moreover this arrangement is advantageous to the Council inasmuch as it receives an additional $\frac{1}{2}\%$ interest on its investment. Although it is possible that the additional Tls.2,000,000 might have been raised on somewhat more favourable terms as suggested by Mr. Harris, in the circumstances he considers the Council should support the arrangement made by the Treasurer and thus maintain his standing with the Bank.

In concurring in this view the Vice-Chairman suggests that the Council should impose a condition on the Company that any further debentures issued shall not take precedence over the money loaned by the Council. The Secretary states that a clause has already been inserted in the mortgage deed to provide that any further money raised under the first debenture issue should be applied in the first instance to repayment of the loans made by the Council and the Bank.

Upon Mr. Pei suggesting that an arrangement should be made whereunder the Council could repay to the Bank its advance of Tls.2,000,000 prior to the end of 1937 the Secretary states that the primary liability for this repayment rests with the Company, the Council being called upon to pay only in the case of default.

Whilst not pressing for postponement of the conclusion of the arrangements already reached between the Treasurer and the Bank Mr. Harris

supports Mr. Poi's proposal that provision should be made whereunder the Council has the option of paying to the Bank the sum of Tls.2,000,000 prior to the end of 1937 thus freeing itself of its guarantee.

As the agreement with the Bank will not be concluded before the Treasurer's return members agree that this proposal should be submitted to him for his views.

After further discussion members agree as to the desirability of another Council meeting being held as soon as possible after the Treasurer's return in order that he may amplify the information already furnished and also express his views on the proposals put forward at this meeting prior to signature of the agreement between the Council and the Bank. Subject to this it is

RESOLVED that the arrangements for the loan of Tls.4,000,000 to the Telephone Company and for guaranteeing the additional Tls.2,000,000 loaned to the Company by the Hongkong & Shanghai Bank be proceeded with.

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

The Minutes of the meeting of the Works Committee of December 13 are submitted and subject to the following exception are confirmed.

LK/S Bund Bontoons - Ferry Services. - The Chairman observes that adoption of this recommendation commits the Council to prohibition of the landing of cargo between the Custom House and the Boohow Creek. As such a regulation may adversely affect a large number of importers he considers that a proposal of so drastic a nature requires the most careful consideration in all its aspects.

The Secretary stated that the Commissioner of Public Works is of the view that the congestion on the Bund has increased to such an extent in recent years that the continuation of the system under which cargo is landed between the Custom House and the Boohow Creek is impracticable. The Commissioner has been examining the possibility of cargo being landed on the Boohow Creek West of the Bund Gardens, and the Chemulpo Road wharf is nearing completion.

After brief discussion and in concurring as to the desirability of the ~~Municipality of Greater Shanghai City Government~~ of assisting the Bureau of Public Utilities/in the matter of providing increased landing facilities for its ferry service it is

RESOLVED that prior to adopting the Committee's recommendation a further report be called for furnishing information as to (1) the amount of cargo landed on the section of the Bund between the Custom House and the Boohow Creek and its destination, and the amount that could be landed elsewhere without hardship to the owners (2) the amount of cargo landed on this section of the Bund which is destined for the French Concession, and (3) the alternative

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accommodation available for handling the cargo at present landed on this section of the Bund.

The Minutes of the meeting of the Public Utilities Committee of December 20 are submitted and confirmed.

The Minutes of the meeting of the Education Board of December 20, are submitted and confirmed.

A23/ Additional Primary School in Western District. - The Chairman states that although the Board recommends that provision be made in the 1934 Budget for the establishment of a new Primary School in the Western District its members appreciate that this provision is contingent upon the sum available for the establishment of new schools and for allocation to grants-in aid to private schools.

On this understanding the Board's recommendation is approved.

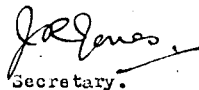
Appointment of Land Commissioner.

X7/1 RECEIVED that Mr. H. Berents who has intimated his willingness to serve be appointed by the Council as Land Commissioner for the ensuing municipal year.

The meeting terminates at 6.15 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, January 10, 1934, at 4.30 p.m.

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 C. S. Franklin
 E. F. Harris
 S. L. Hsu

Brig.-Gen. E. B. Macnaghten

Messrs. P. W. Massey

O. Okamoto
 Tsuyee Pei
 F. J. Raven
 L. T. Yuan
 Yu Ya Ching

The Treasurer & Controller

The Secretary General

The Secretary, and

Dr. J. C. H. Wu.

Absent:

Messrs. T. Funatsu

T. D. Woo.

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

Outside Roads Negotiations. - The Chairman recalls that at the meeting of December 13 last, consideration was given to the despatch of a letter to the Consular Body relative to incidents which have recently occurred on the outside roads when it was decided to take no action pending the continuation of negotiations. He learns that towards the end of last year an announcement appeared in the Chinese Press to the effect that a change had taken place in the status of the outside Roads and that as from January 1, 1934, it would be necessary for vehicle licensees to obtain licences from the Shanghai City Government. The Secretary General brought this announcement to the attention of Mr. Yu, whereupon he was assured that these press statements were unauthorized; no correction was however made in the Chinese Press. Since the beginning of the year a number of cases has been brought to his notice in which foreign residents have been stopped and inconvenienced and there is no doubt that the subordinate members of the Chinese police are acting on the assumption that Chinese vehicle licences are required on these roads. This matter has been taken up by the Commissioner of Police with the Chief of Police of the City Government and the latter stated that he would issue verbal instructions that such action was to cease; he was unwilling however to issue written instructions to that effect. Such unauthorized action on

the part of the subordinate members of the Chinese police and the fact that their senior officers are unable to issue written instructions raise grave doubt in his mind as to the successful operation of any joint force which under the desired agreement would function on these roads unless it was adequately strengthened by nationals other than Chinese. He therefore requests the Chinese members to take up this question with the appropriate Chinese Authorities and thus strengthen the representations made by the Secretary General to Mr. Yui in order that these negotiations may proceed peacefully.

Two of the incidents above referred to involved the mother of Mr. E. F. Harris and have been officially reported on by Mr. Harris to the Secretariat. In the first case which occurred on January 5 Mrs. Harris' car was stopped on Great Western Road by Chinese Police one of whom held a revolver to the window and the other stood with a revolver pointing at the car and she was informed that the car could not proceed along this road without a Chinese licence and only after considerable delay and after the chauffeur had informed the Chinese police that the car belonged to a member of the Municipal Council was it allowed to proceed. Mr. Harris refers to a statement by his Chinese servants that they have been told by the Chinese police that a Chinese licence is necessary in order to cycle along Hungjao Road, west of Chung Shan Road, and that all the Chinese in that neighbourhood are being told that from January 1, 1934, the Chinese authorities have "recovered" all roads west of Chung Shan Road and that Chinese licences will now be necessary for vehicles on such roads which formerly had Council licences.

In the second case which occurred on January 8 a Chinese was unfortunately knocked down by the car in which Mrs. Harris was travelling on Hungjao Road. A Chinese policeman boarded the car and ordered the chauffeur to drive to the Chinese Police Station on Hungjao Road. After a delay there of half an hour and upon Mrs. Harris declining to sign some paper in Chinese the car was taken to another Chinese Police Station in Siccawei. The chauffeur was taken out of the car into the Police Station and Mrs. Harris was left in the car with the injured man surrounded by a very large crowd ^{which} ~~with~~ adopted a very menacing attitude. After another half an hour the car was taken to the Chinese Red Cross Hospital whereafter the Police insisted on taking the car and the chauffeur back to the Police Station in Siccawei where another long delay occurred. Eventually after the chauffeur's licence had been taken by the Police the car was permitted to return to Mrs. Harris' residence although two Chinese policemen insisted on accompanying the car and declined to leave the house stating that certain documents must be signed. Finally after communication with the Secretary and with the prompt assistance of a foreign police officer the Chinese police left his residence taking with them his chauffeur presumably to the Siccawei Police Station. At 5 p.m. his chauffeur returned to the house his licence having been restored to him.

Mrs. Harris was in the hands of the Chinese Police for approximately three hours.

Mr. Harris considers that the only solution of this vexed question pending conclusion of the negotiations for an agreement would be the temporary withdrawal of the Chinese Police in the Western District to Chung Shan Road, the Council to strengthen its police force on the outside roads and to erect additional Sub-Stations.

Members concur with the Chairman that if this proposal were made formally it would result in prejudicing the results of an amicable settlement, he would prefer that the Consular Body be requested to take up this question with the Chinese Authorities.

In respect to these negotiations generally the Secretary General reports that in the course of a further discussion with Mr. Yui on the three outstanding major points he was informed that the Nanking Authorities require further information as to the area to be covered by the agreement. He informed Mr. Yui that a plan of such area would have to be prepared and agreed by both sides. In respect to the constitution of the Police Force Mr. Yui was of opinion that the latest proposal put forward on behalf of the Council would not be acceptable to Nanking and that further proposals should be submitted. With regard to the recent incidents referred to by the Chairman Mr. Yui gave him a definite assurance that the subordinate police officials involved would be punished. Replying to the Chairman the Secretary General states that although he has suggested that Mr. Yui might draft proposals as a basis of discussion regarding the constitution of the proposed Police Force he has expressed his reluctance to do so.

Upon Mr. Harris suggesting that to expedite these negotiations a conference be called between the Council's representatives and representatives of the Nanking and the Shanghai City Government Authorities the Chairman observes that a number of such conferences has already been held between the Vice-Chairman, the Secretary General and the Treasurer & Controller on behalf of the Council and the representatives of the City Government. In this respect the Secretary General is of opinion that it is unlikely the Nanking Authorities would agree to enter into direct negotiations with the Council.

The Vice-Chairman suggests that if the representations which the Chinese members undertake to make to the Chinese authorities prove unsuccessful a letter be addressed to the Consular Body and that in the meantime, in the interests of foreign residents steps be taken to strengthen the municipal police force on these roads and to erect sub-stations in close proximity to those owned by the Chinese Police Force.

Mr. Tsuyee Pei considers that these negotiations might be expedited if the Council appointed one foreign and one Chinese member to proceed to Nanking with Mr. Yui to negotiate direct with the Government. On the ground that such representatives would be able to explain the difficulties now

confronting the Council and the potential danger involved by a continuance of the existing position, Mr. Harris supports this proposal and withdraws his earlier one that application be made that the Chinese police be temporarily withdrawn from these roads.

After further discussion members adopt the Chairman's proposal that pending the result of the representations to be made by the Chinese members to the Shanghai City Government Authorities despatch of the letter to the Consular Body be withheld for two weeks; in the meantime the Commissioner of Police will be requested to formulate a scheme for the strengthening of the Municipal Police and for the erection of additional sub-stations on the Outside Roads. Mr. Massey's suggestion is also adopted that a statement be published based on the minutes of this meeting in order that the public may be clearly informed that an assurance has been given to the Council's representatives that the announcement which recently appeared in the Chinese press relative to the status of these roads and the requirement regarding vehicle licences was unauthorized.

Shanghai Telephone Company Finances. - Relative to the discussion at the last meeting a memorandum prepared by the Secretary enumerating the principal terms and conditions of the mortgage entered into between the Council and the Company has been furnished to members.

At the request of the Chairman and in amplification of the statements made by him at the meeting of December 13 last the Treasurer & Controller furnishes the following information.

In again referring to the difficulty in which the Company found itself in the matter of raising the necessary capital to convert its U.S. Dollar holdings to silver as fully explained at the meeting on December 13 last its officials again approached him as a result of which, in order to assist the Company, he informed them that under certain conditions he was prepared to submit proposals for the Council's consideration. As members are aware these proposals involved a loan from the Council of Tls.4,000,000 and a further loan of Tls.2,000,000 from the Hongkong & Shanghai Banking Corporation. The Bank had previously intimated its inability to lend further amounts to the Company since it had already advanced the Company an unsecured sum of Tls.2,000,000. Upon the whole position being explained by the Treasurer & Controller the Bank agreed to lend a further Tls.2,000,000 provided repayment was guaranteed either by the Council or the I. T. & T. and also gave an assurance that the present arrangement would not be embarrassed by a demand for repayment of the earlier loan of Tls.2,000,000.

In the course of his discussions with Mr. Henchman it appeared that the Bank did not wish to participate in a mortgage and it was proposed that the further loan of Tls.2,000,000 be guaranteed either by the parent Company or by the Council but at the time he last reported to the Council no definite conclusion had been reached. So far as the I. T. & T. is concerned it is obvious that the aim of this particular measure is to free the Company from its

obligations to the parent Company as regards its American capital commitment. Another advantage of securing the co-operation of the Bank and entering into a single mortgage is that in the event of foreclosure the Council would not require to consider the interests of a second party which might prejudice its action and control under the franchise. The only alternative and the best arrangement was the guaranteeing by the Council, in the event of default, of the sum loaned to the Company by the Bank. He made it perfectly clear to the Company that in view of the fact that the Council would loan Tls.4,000,000 and guarantee the Tls.2,000,000 loaned by the Bank the mortgage in favour of the Council must cover the whole of the Company's assets to secure a total sum of Tls.6,000,000 in consideration of which the interest rate to the Bank would be reduced to 6%.

With regard to a member's suggestion at the last two meetings that the sum of Tls.2,000,000 could have been raised and loaned to the Company at a cheaper rate, he again points out that all efforts by the Company to this end were unsuccessful. Moreover the Company's previous rate of interest on its American obligations to the ~~parent~~^{parent} Company and also on its debenture issue was 6%. In respect to another suggestion that this sum might have been raised by a Municipal debenture issue he doubts whether the raising of debentures to assist a Public Utility Company is within the Council's powers. At the present time however no authority exists under the last Budget resolution which provides for the raising of funds for Municipal purposes only. Even if the Council were authorized to raise by means of a debenture issue the sum of Tls.2,000,000 required by the Company at an interest rate of 5% it would be difficult to justify a 6½% interest rate on the Tls.4,000,000 loaned by the Council and would result in depriving the ratepayers of the sum of Tls.50,000 during the first year and further sums prior to redemption of the loan. Ultimately the shareholders of the parent Company would benefit since the franchise agreement provides from April 1, 1935, for a return of 8% plus 2% on invested capital. From this return the Company will defray the cost of all loans advanced. He contends that no object would be served by endeavouring to carry out such a transaction.

Regarding a member's comment on the form of the public announcement of the scheme he considers that the wording of this announcement to the effect that satisfactory arrangements have been made in respect of the remaining Tls.2,000,000 is actually what has happened and meets the case.

In respect to the difference in the rates of interest in the Council's favour payable to the Council and to the Bank, he states that he proposed this arrangement before the fact was emphasized that the Bank had already made an unsecured loan of Tls.2,000,000 to the Company. Mr. Henchman however agreed with his view that since the mortgage for the whole sum would be between the Council and the Company a higher interest rate on the sum loaned by the Council was equitable.

In conclusion the Treasurer in expressing regret that he was not able to be present at the last Council meeting to amplify the information he furnished at the previous meeting on points of detail states that under the arrangements finally agreed the Council is in his opinion amply secured and that the final details are satisfactory.

In connection with the guarantee given by the Council for the sum loaned by the Bank Mr. Harris states that it would appear that the Bank considered it inadvisable to loan this amount to the Company direct; consequently in agreeing to the arrangement whereunder the Council acts as guarantor he considers it should take into consideration the value of this guarantee and be willing to accept a proportionately reduced rate of interest. He is not prepared to agree with the Treasurer & Controller that the shareholders of the I. T. & T. only would benefit by economically financed loans since subscribers would indirectly share in this benefit. He proposes that if the Council approves this guarantee being given the interest rate to the Bank might be reduced to 5%, alternatively he considers the Council should have the right to repay this sum to the Bank earlier than at present provided for.

In respect to the period set for repayment i.e., to the end of 1937, the Treasurer states that this was provided for since the Council might require repayment of definite sums on definite dates within that period to supplement the sinking funds and to repay the 1924/1927 outstanding loans; accordingly an earlier repayment to the Bank which in his opinion would serve no useful purpose, would result in the Company not being able to pay the Council the sums called from time to time; furthermore it would mean that the Council might have to loan to the Company the equivalent of the sum the Company repaid to the Bank without respect to the original unsecured loan of £1s.2,000,000.

In regard to the Treasurer's statement that the Council has no power to raise debentures for the purpose of financing a Public Utility Company and upon a member enquiring whether it has power legally to guarantee the amount loaned by the Bank the Treasurer replies that the monies actually loaned by the Council do not represent any budgetary obligation to the rate-payers and that the amount covered by the guarantee is a contingent liability only.

In this respect the Secretary informs members that a loan was made by the Council to the Company in 1929 and that in 1927 a guarantee was furnished by the Council in favour of the Waterworks Company with the approval of the Council's Legal Advisers. He submits that a guarantee by the Council in favour of a Public Utility Company is very different from one in favour of an ordinary commercial company since in the former case the Council is assisting a Company to undertake functions which otherwise the Council itself would be called upon to undertake.

Mr. Harris adheres to his opinion that when the public become aware that the Council has guaranteed the loan made by the Bank they will feel that the Council's credit should not be pledged at such a high rate of interest and he enquires whether the arrangements have gone so far that it is not possible to raise this additional sum of Tls.2,000,000 at a lower rate of interest. If this is not possible then he considers that the Council in consideration of its guarantee should be entitled to say $1\frac{1}{2}\%$ of the interest rate received by the Bank from the Company; alternatively as before stated, he favours provision being made to enable the Council as early as possible to repay the Bank the sum of Tls.2,000,000 to relieve it of its guarantee.

After further discussion members agree as to the desirability of confirming the arrangements made between the Treasurer & Controller and the Bank whereupon it is

RESOLVED that the agreement between the Council and the Hongkong & Shanghai Banking Corporation embodying the arrangements made by the Treasurer & Controller and the Bank be formally concluded.

The Minutes of the meeting of the Finance Committee of January 4 are submitted and subject to the following observations, are confirmed.

Chinese Schools - application for increased 1934 appropriation and Japanese Schools - application for Special Grant. - In connection with the recommendations recorded by the Committee the Chairman states that personally he endorses with the greatest reluctance the proposal that a halt be called during the current year to the development of the educational policy adopted by the Council in 1931. Under that policy the Council would spend on education approximately 16% of its annual income as against rather less than 10% at the present time. Although definite progress has been made, the educational building programme has not kept pace with the original scheme laid down. In his opinion the Chinese and Japanese communities are not receiving educational facilities to the extent to which they are entitled if compared with the facilities afforded to foreign children. In 1931 the Council decided that the educational programme should be reviewed at the end of 1934 in the light of the conditions then obtaining. In view however of the anticipated difficulty of balancing the 1934 budget the Committee had no alternative but to review this policy at its last meeting and to submit recommendations which in effect prevent the establishment of new Chinese schools during the current year. The Chinese and Japanese communities have applied for considerably increased grants and the Committee recommends that additional grants of \$40,000 and \$10,000 be authorized for the expansion of Chinese and Japanese educational activities respectively. Upon further consideration of the memorandum submitted by the Treasurer & Controller to the Finance Committee he has reached the conclusion that these grants might be somewhat slightly increased in recognition of the excellent work done in the past by the Japanese community in supporting their national schools and

and also in recognition of the pressing need of increased educational facilities for the Chinese community. The Education Board is naturally anxious to provide more municipal Chinese schools as well as to increase the appropriation for grants-in-aid and he suggests that whatever additional grant is finally decided upon the Board's views should be taken as to whether this sum be allocated as grants to private schools or for the establishment of an additional municipal Chinese school.

Upon Mr. Tsuyee Pei observing that adoption of the Committee's recommendations precludes the opening of any new Schools during 1934 including the establishment of the additional Western District Primary School recommended by the Board the Chairman states that whilst no funds at present exist for the establishment of new Schools he does not favour the expenditure on education being limited to the proposed definite percentage of the General Municipal Rate.

The Vice-Chairman considers that if any further increased expenditure on the educational programme is authorized the Council should emphasize the necessity of increased taxation to meet this additional expenditure; in any case he is of opinion that increased appropriations should in the interests of economy be devoted to grants-in-aid rather than to the erection of new municipal schools.

The Chairman deprecates the frequent coupling of the subject of the extension of educational facilities with that of the necessity for an increase in taxation. He submits that the contention that an increase in taxation is necessary solely on account of adherence to the educational programme cannot be sustained and that it is unfair to place the blame for such necessary increase on educational needs.

In concurring with the Chairman in this view and in regard to his further memorandum submitted today the Treasurer & Controller states that the estimated deficit on the 1934 budget will he anticipates be approximately \$2,000,000. A reversion to a general municipal rate of 16% would provide approximately \$1,300,000 for the second half of the year. Thus the total deficit cannot be made good during the current year although with a reversion to the 16% rate there would be a reasonable prospect of balancing the 1935 budget on normal lines. In respect to the coupling of the provision of increased educational facilities with the question of the necessity for increased taxation he submits that the expenditure of other Departments of the service has for some years been kept to the lowest possible limit consistent with efficiency, and the expansion of their activities is restricted also.

In agreeing that the expansion of educational facilities is only a contributory factor in the necessity for increasing the general municipal rate the Vice-Chairman is of opinion that the Ratepayers should clearly understand that if additional facilities are provided - educational or otherwise - they must be prepared to pay for them.

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Upon Mr. Raven suggesting that some measure of relief might be forthcoming if the fees at the Council's schools are increased, the Chairman states that this question will engage the attention of the Education Board.

After further discussion it is

RESOLVED that the Committee's recommendations be adopted subject to the grants for educational purposes being increased to \$50,000 and \$20,000 for the Chinese and Japanese Schools respectively, the question as to whether the former grant be allocated for grants-in-aid to Chinese Private Schools or for the establishment of a new municipal Chinese School to be referred to the Education Board.

Funeral Procession in the Settlement. - The Chairman states that an application ^{9:13} has been received for permission for a number of armed guards to accompany the funeral cortege of the late Admiral Tu Shih-kwei through the Settlement en route to the French Concession on ~~Saturday~~ ^{Sunday} afternoon next. The applicants request that 100 officers bearing swords and nearly five hundred armed troops be permitted to take part in this procession.

The Secretary reports that the matter of the route to be followed has been referred for settlement to the Commissioner of Police and while there would appear to be no objection to the presence of the officers wearing swords the presence of troops armed with rifles would be contrary to the arrangement made between the Chinese Authorities and the Consular Body. A representative of the Shanghai City Government later sought permission for these troops to attend armed with rifles but with no ammunition.

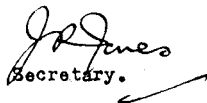
After brief discussion members agree that the policy hitherto adopted should be adhered to. Accordingly it is

RESOLVED that the route to be followed by this funeral procession be left to the discretion of the Commissioner of Police; that 100 officers armed with swords be permitted to proceed with this cortege but that no armed troops be permitted to accompany the procession through the Settlement.

The meeting terminates at 6.45 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, January 24, 1934, at 4.30 p.m.

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 Brig.-Gen. E. B. Macnaghten
 Messrs. P. W. Massey
 O. Okamoto
 Tsuyee Pei
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Acting Commissioner of Public Health
 The Treasurer & Controller, and
 The Secretary.

Absent:

Mr. T. Funatsu.

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

Fy/6 Outside Roads Negotiations. - For members' information the Vice-Chairman states that since the last meeting the Secretary General and himself have had another meeting with Mr. Yui and Mr. Choy. At the outset Mr. Yui assured the Council's representatives that definite instructions had been issued to the Chinese police not to hold up on the outside roads cars carrying municipal licence plates but if necessary to note their numbers. With regard to the negotiations generally he made it quite clear to the Chinese representatives that the Council could not agree to their indefinite continuation. Mr. Yui replied that the question of numbers of the police personnel might be referred to the Chinese Chief of Police for his views, whereupon he (Mr. Arnhold) suggested that the Chief of the Chinese Police and the Commissioner of Police should confer on this question and jointly formulate a scheme for consideration. He considers that if the numbers differ from those suggested by Major Gerrard the proportion should remain the same. With regard to the constitution of the Force it would appear that the Chinese representatives favour the appointment of a Chinese Commissioner and a Deputy Commissioner of foreign nationality at the Head Office, a Chinese ^{Officer} Commissioner and a Japanese Deputy in the Northern District and a Chinese ^{Officer} Commissioner with a foreign (non-Japanese) Deputy in the Western District. They are however opposed to the inclusion in the staff of the Head Office of a Japanese

Deputy Commissioner as also the appointment of a third senior police official to that office. In conclusion Mr. Yui stated that the Mayor was shortly proceeding to Nanking and that he would notify the Government Authorities that the Chinese representatives could not agree to the appointment of a third senior official in the Head Office. Subsequent to this meeting the Chairman, the Secretary General and himself arranged a conference with Mr. Okamoto and requested him to approach the Japanese Consul General for his views on this proposal; the Council's representatives have since been informed that the Japanese Consul General is unable to withdraw the requirement that a Japanese senior police official be attached to the Head Office. The Japanese Consul General also intimated that he proposed to discuss this requirement direct with the Chinese Authorities.

The Chairman states that just prior to this meeting he received a verbal communication on the subject of the attitude of the Chinese Authorities so far as concerns the personnel of the proposed Police Force. Whilst time has not permitted a careful study or discussion of this communication it would appear to hold out some hope that progress can be made in these negotiations. It is gratifying to note that during the past two weeks no further incidents have occurred on the outside roads. He therefore suggests, and members concur, that developments be awaited for a further two weeks and that the despatch of the letter to the Consular Body also be withheld for that period. He understands that the Commissioner of Police is considering a scheme for the strengthening of the Police Force and of the Sub-stations on the outside roads.

8/2/34
Shanghai Telephone Company's Finances. - Replying to members the Secretary states that minor points of detail have yet to be agreed between the Council's Legal Adviser and the Company whereafter the mortgage deed will be signed.

For members' information the Treasurer & Controller reports that the conversion of the Company's American Dollar capital to Shanghai dollars has been concluded at a rate slightly below an exchange of G\$34 to M.\$100. This transaction was successfully conducted by the Company's Bankers. The first effect of this transaction is that the losses shown under Revenue Account which the Company set out in its recent application for an increased tariff have been wiped out and the accounts now shew a credit balance. The precise and final effect on the Company's finances of this conversion will take some little time to settle in conjunction with the Company's officials.

The Minutes of the meeting of the Staff Committee of January 15 are submitted and confirmed.

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Case of Mr. V. J. Mezger - Health Inspector. - A further report by the Acting Commissioner of Public Health suggesting for the reasons outlined that the Council might consider the issue of an ex-gratia payment not exceeding \$2,000 ^{is} ~~are~~ submitted. In amplification of the reasons advanced in his report the Acting Commissioner of Public Health states that he has discussed this decision with the departmental representative who attended the Court of Enquiry. He is of opinion that whilst the stern disciplinary action taken will definitely be a deterrent to other cases it is somewhat severe having regard to the length of Mezger's services and to the fact that it is not in his interests to return to Australia. He therefore expressed the hope that the Council might without loss of dignity and without rescinding its opinion that its decision was justified see its way to exercising leniency in this case.

Mr. Massey observes that the principal reason actuating the Committee's recommendation that passage money be paid was to ensure Mezger's departure from Shanghai.

In this respect Mr. Franklin states that although as a member of the Committee he endorsed this recommendation, in view of the feeling existing in the Health Department that this punishment is unduly severe he is willing to support a proposal that a cash payment in lieu of the amount of passage money be paid to Mezger.

Mr. Raven states that he is unable to agree that a cash payment should be made; in his opinion had Mezger been employed elsewhere it is not unlikely that in addition to loss of benefits a criminal prosecution might have been instituted against him for conversion of his employers' monies.

Replying to the Chairman the Secretary states that if a case is brought against the Council in the Court of Consuls a certain amount of criticism may be levelled against the Health Department. Moreover if Mezger should take his case to another lawyer, as he understands from Dr. Wilhelm may be the case, he might not be so considerate of the Council's interests in the matter of gathering material to assist their client's case.

After discussion and in recording the view that an undesirable precedent would be established if any variation is made in the decision already reached it is

RESOLVED that the decision relative to the terms of the dismissal of ex-Health Inspector V. J. Mezger be affirmed.

The Minutes of the meeting of the Education Board of January 17 are submitted ^{19/30} 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 Finance Committee of January 19 are submitted and confirmed.

Election of Councillors and Annual Meeting of Ratepayers. - After considera-
tion of a memorandum prepared by the Secretary it is

F8/1
F4/1

RESOLVED that it be suggested to the Consular Body that
March 26 and 27 be fixed as the dates for the election of Councillors
and that the Annual meeting of Ratepayers be held on April 18.

In respect to the time for the commencement of the Annual
meeting consideration is given to the most convenient hour for the
majority of Ratepayers and it is decided to convene the meeting for 5 p.m.
With regard to the place of meeting members concur with the Chairman
that as it is unlikely that more than 1000 ratepayers will attend the
hiring of the Grand Theatre will be unnecessarily expensive. The
Secretary is accordingly requested to obtain for members' consideration
the recommendation of the Commissioner of Public Works as to a smaller
and less expensive building for the holding of the Annual Meeting.

The meeting terminates at 5.50 p.m.



Chairman.


Secretary.

At the meeting of the Council held on Wednesday, February 7, 1934, at 4.30 p.m.,

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 C. S. Franklin
 T. Funatsu
 E. F. Harris
 Brig.-Gen. E. B. Macnaghten
 Messrs. P. W. Massey
 O. Okamoto
 Tsuyee Pei
 F. J. Raven
 T. D. Woo
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. G. L. Hsu
 L. T. Yuan.

Subject to substitution of the word "Officer" for "Commissioner" so far as concerns the Police officials to be appointed in the Northern and Western areas in the minute relating to the Outside Roads negotiations, the Minutes of the last meeting are confirmed, and signed by the Chairman. Outside Roads Negotiations. - The Chairman states that there have been no further incidents, involving foreign residents, during the past two weeks. A certain amount of friction has occurred between ordure collection coolies employed by the Council's contractor and those of the contractor engaged by the Shanghai City Government.

In this respect the Secretary General states that he has taken up this matter with Mr. Yui by telephone who informed him that whilst the City Government was prepared to permit the Council's contractor to collect ordure in the areas in which hitherto he has operated he would not be permitted to extend such area. He has arranged to discuss this question in detail with Mr. Yui but has postponed this discussion as he was informed that Mr. Ishii intended to take up with the Mayor other major outstanding issues.

The Chairman states that Mr. Ishii informed him that he would meet the Mayor yesterday and that Mr. Okamoto expects to hear the result of this interview within a few days.

The Chairman's proposal is adopted that pending information as to the outcome of the discussion between Mr. Ishii and the Mayor further consideration of this question be deferred.

File Shanghai Telephone Company - Finances. - The Treasurer & Controller reports that due to an unusually long delay which the Secretary confirms on the part of the Council's Legal Adviser the mortgage deed has not yet been signed. So far as concerns the financial aspect, adjustments have been completed up to a certain point and whilst they are not in a final stage there is reason to anticipate that the transaction, by which the Company's commitments in respect to its American dollar capital have been converted, will result in saving the subscriber approximately \$500,000 per annum.

File Annual Meeting of Ratepayers. - Relative to the discussion at the last meeting the Chairman states that the proprietors of the Metropol Theatre have offered the use of this building without charge for the holding of the Annual meeting. As however it has been decided to convene the meeting for 5 p.m., and as a cinema performance starts at 5.30 p.m., it is not improbable that the Council would be required to pay for the cancellation of this performance.

The Chairman's proposal is adopted that decision as to the building in which the Annual Meeting will be held be deferred pending receipt of the recommendation of the Commissioner of Public Works.

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

Widening of Bubbling Well Road. - The Chairman states that the Commissioner of Public Works has enquired of him whether the erection of a fence along the Bubbling Well frontage of the Race Course is contemplated by the Race Club stewards. He informed Mr. Harpur that the sole reason for the erection of a wall along the Thibet Road frontage was due to the fact that during the night the inhabitants of that road removed portions of the old fence and deposited refuse on the course. The erection of this wall was reluctantly agreed to by the Stewards and he assured Mr. Harpur they have no intention of erecting a wall on the Bubbling Well frontage of the course.

24/83 Hardoon Estate. - Members request that a report be called for from the Commissioner of Public Works as to when the scheduled extension of Weihaiwei Road to Avenue Foch will be undertaken.

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

The Minutes of the meeting of the Watch Committee of January 26 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 Education Board of January 31 are submitted and subject to reference to the Finance Committee of the section relating to the Annual Estimates are confirmed.

February 5, 1934. ²⁹⁴

Amr Recognition of Council's Schools. - Members concur with the Chairman that the conditions introduced by the Commissioner of Education in the letter received by the Council conveying recognition by the Ministry of Education of the Council's Schools, cannot be accepted. In concurring as to this Mr. Woo expressed the hope that through the good offices of the Chinese Members of the Board and of the Council who are willing to take up this question with the Commissioner of Education a satisfactory solution may be reached.

K257 Ricsha Committee's Report. - The report of this Committee is formally received. In expressing the Council's appreciation of the time and efforts devoted by the Committee to the preparation of this comprehensive Report the Chairman suggests that it be referred jointly to the Watch and Traffic Committees for their consideration and recommendation.

The Secretary states that the usual procedure in respect to reports received from outside Commissions or Committees is to submit their reports to the departments concerned for comment and thereafter to submit both the report and departmental comments to the appropriate Committee or Committees for consideration and recommendation.

Members agree that this procedure be adopted without delay.

With regard to the publication of this Report the Press Information Officer states that a Chinese summarized translation is now being prepared and will be completed within the next few days. He will give due notice to Press representatives prior to publication of the report and furnish them with copies confidentially before publication in order that adequate publicity may be given thereto in the Press and also enable them to discuss with him any aspects which should be given prominence in the press. Whilst he can issue both the English and Chinese summarized editions of the Report to the Press by Saturday he states that owing to the incidence of the Spring Festival there will be no issue of the important Chinese morning newspapers from February 11 to 16 inclusive although there will be evening editions on February 12 and 13. A Japanese edition will also be prepared as also summaries for the French and Russian newspapers.

After discussion members agree to leave the arrangements for the publication of this report in the hands of the Press Information Officer subject to the English and Chinese summarized editions being published not later than Tuesday next.

For members' information, Mr. Massey states that the Committee unanimously passed a vote of appreciation of the efforts of the permanent staff who assisted the Committee in its investigations and in the preparation of its Report.

The meeting terminates at 5.25 p.m.

J. Ames
Secretary.

(Signature)
Chairman.

At the meeting of the Council held on Wednesday, February 21, 1934, at 4.30 p.m.

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 C. G. Franklin
 T. Punatcu
 E. F. Harris
 S. L. Hsu

Brig.-Gen. E. B. Macnaghten

Messrs. D. W. Massey

O. Okamoto
 Tsuyee Pei
 W. J. Raven
 L. T. Yuan
 Yu Ya Ching

The Treasurer & Controller

The Secretary General

The Secretary, and

Dr. J. C. H. Wu.

Absent:

Mr. T. D. Woo.

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

F 1/6 Outside Roads Negotiations. - The Chairman states that he understands the conversations on these outstanding questions between the Japanese Consul General and the Mayor are continuing; meanwhile no further incidents involving foreign residents, have occurred.

The Chairman's proposal is adopted that pending the outcome of the negotiations between Mr. Ishii and the Mayor, discussion on this question be deferred.

*A 11/2
4/10/1* Recognition of Council's Schools. - The Chairman informs members that as a result of representations on this question which have been made by the Chinese members to the Commissioner of Education and his informal discussion thereon with the Minister of Education there is reason to hope that a satisfactory solution will be reached.

4/2/4 Shanghai Telephone Company - Finances. - The Secretary reports that the mortgage deed has now been completed so far as the Company is concerned and has been forwarded to the Council's legal adviser who will consult with the Company's legal representative. *Council 9/12*

K 25/1 Ricsha Committee's Report. - Upon the Chairman referring to the references to this Report which have appeared in the foreign press and the absence of such references in the Chinese press the Press Information Officer states that with the exception of the Shun Pao which has published the summary

and the Committee's recommendations the Report has been ignored by the other important Chinese newspapers. He suggests however that this may be due to the incidence of the Spring Festival holidays. He anticipates that the Chinese translation of the complete Report will be available on Saturday next and if then the editors of the more important Chinese newspapers are unwilling to meet him collectively he proposes to approach them individually in order to ensure that due publicity is given to the Report. He states that editorials do not appear in the Chinese Newspapers to the same extent as in the foreign press and this factor may to some extent account for the lack of publicity given to the Report. During the course of the Committee's sittings the Chinese papers were unwilling to publish any reference to the Committee's requirement relative to the registration of true owners of rickshas although they readily inserted the official advertisement. This attitude may in his opinion be due to the opposition from certain quarters towards the investigation conducted by the Committee.

Upon Mr. Harris suggesting that the results of the Committee's investigation might be disseminated amongst ricksha pullers through the Ricksha Mission, General Macnaughten states that as a Trustee of the Mission he does not consider that it is sufficiently well organized to undertake this duty; the reorganization of the Mission in order to enable it more efficiently to discharge its functions is now engaging the attention of the Trustees.

In respect to the joint meeting of the Watch and Traffic Committees which has been convened for Monday next to consider the Ricksha Committee's Report and upon the Secretary stating that it may not be possible by then for the Police Department to submit its complete proposals for giving effect to the Committee's recommendations the Vice-Chairman suggests that this meeting be deferred until the Police Department's recommendations in their entirety are available. After brief discussion members concur with the Secretary as to the desirability of the meeting convened for next Monday being held for a preliminary discussion although it is realized that it may not be possible then to submit concrete proposals for the Council's consideration.

The Minutes of the meeting of the Health Committee of February 6 are submitted and subject to reference to the Finance Committee of the section relating to the Annual Estimates are confirmed.

Site for Fever Hospital and accommodation for its Nurses in the Victoria Nurses Home. - It is noted that as the Board of Governors of the Country Hospital have expressed themselves as definitely opposed to housing Fever Nurses in the same building as those doing General Nursing the Committee has, since its meeting, agreed to recommend their accommodation in the Fever Hospital building. This recommendation is adopted.

The Minutes of the meeting of the Works Committee of February 8 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 Staff Committee of February 12 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of February 19 are submitted and confirmed.

KJ/8 Training of River Police Officers by Fire Brigade. - Members concur with the Treasurer & Controller that payment by the Customs authorities of \$100 per mensem for the accommodation of the Chinese personnel in municipal properties is reasonable and it is

RESOLVED that in the terms to be communicated to the Customs Authorities upon which the Council agrees to the training of the Customs personnel payment of \$100 per mensem for their accommodation in municipal properties be included.

FJ/1 Chinese Representation on the Council. - In a letter submitted the Shanghai Chinese Ratepayers' Association refers to the negotiations which resulted in the election of Chinese members to the Council and its desire that the existing number of Chinese Councillors be increased. The Association specifically requests an increase of four Chinese members during the current year.

The Chairman alludes to the fact that the request for increased Chinese representation is based on the proportion of taxation now paid by the Chinese and foreign sections of the community which the Association computes at a ratio of 64 to 36 respectively as against a ratio of 55 to 45 in 1928 when three Chinese members were first elected to the Council. He points out that this comparison has been made under a misapprehension. In 1927 38% of the General Municipal Rate was paid by foreigners and 62% by Chinese which proportion is much the same as the 36% and 64% obtaining at the present time. It should however be emphasized that the ratio of 55 to 45 referred to in 1928 was arrived at after taking into consideration the four main sources of the Municipal revenue, i.e., Land Tax, Rates, Licence Fees and Wharfage Dues. To-day on the same basis the ratio would be approximately 57 to 43.

The Chairman states that he is definitely opposed to the suggestion that the amount contributed to the Municipal Treasury by any one national section of the community should be the sole criterion for assessing its claim to membership of the Council; in his view it would be more logical to advance a claim on the basis of population in which case the Chinese community would become entitled to representation of approximately 97%. Whilst he fully sympathises with the aspirations of the Chinese community to secure a fuller measure of administrative control the fact remains that in the opinion of the foreign ratepayers and probably in the unexpressed opinion of the more serious minded section of the Chinese community the time is not ripe for giving effect to the request for an increase in Chinese representation on the Council. The relations between the foreign and the

Chinese members of Council have been maintained on a most amicable basis due largely to the efforts which have been made by both to understand and sympathise with the viewpoints of the other. At the same time he is convinced that the foreign ratepayers are not yet prepared to adopt a proposal which numerically would place Chinese membership on an equality with foreign representation. He therefore proposes that a reply be made by the Secretary General to the Association pointing out the error contained in its letter in the matter of the proportionate amounts of taxation paid by the Chinese and foreign communities, courteously intimating to them the Council's inability to agree that the sums contributed to the municipal revenue should be the sole basis for assessing Council membership, and expressing the view that having regard to the comparatively short period during which Chinese members have been elected to the Council the present time is not regarded as opportune for an increase in their number.

The Vice-Chairman observes that one of the major recommendations contained in the Deetham Report was to increase the size of the Council. He therefore considers that the first step should be to give effect to this recommendation.

The Secretary General states that adoption of this course would involve an alteration of the Land Regulations; quite recently the Council was unable to obtain the consent of the Chinese Authorities to a minor alteration in the matter of polling hours. Whilst it may be anticipated that the Chinese Authorities would give their consent to any deviation from the provisions of the Land Regulations if an increase in the number of Chinese Councillors only were involved it may be taken for granted that their consent to an amendment for the purpose of increasing the foreign membership would not be forthcoming. Moreover even if the foreign ratepayers were prepared to agree to an increase in the number of Chinese Councillors he expresses serious doubt as to whether the Consular Body would support such a resolution.

The Chairman observes that the attitude of the foreign community towards the question of increased Chinese representation on the Council which might result in placing the foreign members in a minority is largely influenced by the unwillingness of the Chinese Government Authorities to co-operate with the Council.

Mr. Pei suggests that if a letter is written to the Association in the sense suggested by the Chairman it might be intimated that its application will be further considered next year.

Members however concur with the Chairman that as the Council has no power to bind its successor in office and having regard to the attitude of the foreign ratepayers towards this question it is not possible to give such an assurance.


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RESOLVED that a reply by the Secretary General be made to the letter received from the Shanghai Chinese Ratepayers Association on the subject of increased Chinese representation on the Council in the sense suggested by the Chairman.

The meeting terminates at 8.45 p.m.



Chairman.


Secretary.

At the meeting of the Council held on Wednesday, March 7, 1934, at 4.30 p.m.,

there are:-

Present:

Messrs. A. D. Bell (Chairman)

H. E. Arnhold (Vice-Chairman)

C. S. Franklin

T. Funatsu

E. F. Harris

S. L. Hsu

Brig.-Gen. E. B. Macnaghten

Messrs. P. W. Massey

O. Okamoto

Tsuyee Pei

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Commissioner of Public Works

The Commissioner of Public Health

The Treasurer & Controller

The Secretary General

The Secretary, and

Dr. J. C. H. Wu.

With the exception of the decision relating to the Accommodation of Fever Nurses in the Victoria Nurses Home the Minutes of the last meeting are confirmed, and signed by the Chairman.

Outside Roads Negotiations. - At the Chairman's request the Vice-Chairman furnishes the following information:-

With the Secretary General he attended a meeting with Mr. Yui and Mr. Choy when these discussions were resumed, on the basis of the proposals put forward in Sir Miles Lampson's memorandum. Members will recall that the major question upon which a deadlock occurred was that of the number of officials to be appointed to the Head Office of the proposed joint Police Force. Originally it was proposed that there should be one Chinese Commissioner and one foreign (non-Japanese) Deputy Commissioner the latter to be nominated by the Council. The Japanese Consul-General however maintained that it was essential that a third Assistant Commissioner of Japanese nationality also be appointed. It is now understood that in the course of conversations between the British Consul General, the Japanese Consul General and the Mayor the latter had suggested these nominations should be on a basis of equality between the two municipalities and the Mayor therefore proposed that if a third Japanese Officer was appointed to the Headquarters' staff there should also be appointed a fourth officer of

Chinese nationality. The Mayor was prepared to recommend a solution of this outstanding question on this basis. Mr. Ishii was believed to be agreeable to this proposal.

The question of numbers of the Force was touched upon at the meeting of the Council's representatives with the Chinese representatives and a previous proposal was confirmed that the Commissioner of Police and the Chief of Police of the Shanghai City Government should confer and if they could not reach an agreement this matter would be referred back to the representatives of both sides. The question of the definition of the outside roads area was also discussed and Mr. Choy proposed that a line at an agreed distance from the roads be drawn to define the area covered by the agreement. He suggested that this matter should be considered and reported upon by both Commissioners of Public Works.

Upon Mr. Okamoto stating that his impression is that Mr. Ishii's acquiescence in the proposed appointment of a fourth Chinese officer is subject to confirmation by the Japanese Government the Secretary General states that Mr. Ishii informed him that he felt confident that if he submitted this recommendation his Government would support him.

After brief discussion members adopt the Chairman's proposal that the Commissioners of Police and Public Works be requested to enter into negotiations on these two outstanding questions without delay.

In respect to the bomb throwing incident which occurred near a Japanese Cotton Mill in the Western District a few days ago, referred to by Mr. Funatsu a police report thereon will be called for.

Accommodation for Fever Nurses in the Victoria Nurses Home. - Relative to the decision reached at the last meeting that accommodation for fever nurses should be provided in the Fever Hospital building, copies of a further memorandum by the Commissioner of Public Health on this question have been furnished to members. In view of the opinions contained in this report members adopt the Chairman's proposal that confirmation of this decision be deferred until they have had an opportunity of carefully studying this document.

Mr. Massey states that this question was again discussed informally at the meeting of the Health Committee yesterday and he concurs as to the desirability of deferring decision until the next Council meeting.

The Secretary General states that as a result of the discussion at the last meeting this question has since been further considered by the Board of Governors of the Country Hospital. The three medical members of the Board remained firm in their opinion that if fever nurses were accommodated in the Home, sooner or later some of the Country Hospital nurses would contract an infectious disease and the Council would be placed in a difficult position were it established that the infection had been carried by the fever nurses with whom they came into contact.

Polling Hours. - Mr. Harris' proposal is adopted that prior to the dates set for the election of Councilors a statement be published clearly intimating to the public that owing to the attitude adopted by the Chinese Authorities the Council has not been able to secure an amendment to the Land Regulations for the purpose of extending the polling hours.

The Minutes of the meeting of the Library Committee of February 27 are submitted and subject to reference to the Finance Committee are confirmed.

The Minutes of the meeting of the Works Committee of February 27 are submitted and confirmed.

The Minutes of the meeting of the Education Board of February 28, are submitted and confirmed.

Grants-in-Aid for 1934 - First Russian School. - Upon Mr. Harris proposing that in view of the urgent needs of this School the grant recommended be increased the Chairman states that its position was very carefully studied by the Board at its last meeting. Although most sympathetic towards the financial difficulties with which the School is faced the Board had to take into consideration the fact that with one exception the First Russian School on a per capita basis receives a higher grant than any of the foreign schools. In his opinion any efforts which can be made by members individually to direct the attention of the needs of this School to the public and to charitable organizations would be of the greatest service.

Upon Mr. Harris suggesting that for the current year the Council might authorize an additional grant of say \$2,000 to tide the school over the very difficult period it is now experiencing the Treasurer & Controller states that the Board's recommendation is based on the findings of the Subcommittee specially instituted to consider applications for grants-in-aid.

The Vice-Chairman states that he understands the School will show a deficit of \$1,800 on this year's working and he suggests that perhaps the Council might be prepared to defray this amount on the condition that the School makes serious efforts to secure contributions from other sources.

The Treasurer & Controller considers a most dangerous precedent would be established should the Council assume liability for the indebtedness of schools; as an alternative he suggests that for the current year an additional grant of \$1,200 might be authorized, provided it is made clear that this grant is of a special nature for the purpose of assisting the School in its immediate financial difficulties.

After brief discussion this proposal is adopted and it is

RESOLVED that for 1934 in addition to the grant of \$4,200 a special grant of \$1,200 be issued to the First Russian School.

School Fees. - In directing attention to the report on this question which has been furnished by the Treasurer & Controller which he commends for members' most careful study the Chairman proposes and members concur as to the advisability of the fees recommended for pupils now attending the Secondary School for Chinese Girls upon their enrolment in the new School

building being reviewed in order that as from January 1936 they may be brought into line with those charged for pupils newly enrolled.

The Minutes of the joint meeting of the Health and Finance Committees of March 2 are submitted and confirmed.

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

Ricsha Committee Report - Recommendation of Joint Meeting of Watch and Traffic

Committees. - In respect to the interim recommendation submitted that an announcement be published regulating the maximum hire charge to the ricsha puller, to be enforced as from July 1 next, the Chairman states that whilst he sympathises with the Joint Committee's desire that progress be made in the matter of giving effect to the Ricsha Committees recommendations he feels that an announcement as proposed at this stage may not achieve the desired result. Having regard to the enormous competition which exists between pullers attempting to obtain ricshas, the regulated hire charge will be most difficult for the Council to enforce. As it will be a comparatively easy matter for the Ricsha Hongs and pullers in collusion to evade this requirement he is somewhat reluctant to issue a regulation in the knowledge that it cannot be enforced. On the other hand if the Committee desires this action taken as a gesture that progress is being made he does not press his opposition.

The Chairman states that the Vice-Chairman has submitted a memorandum containing proposals which he thinks are material to consider in this connection; these will be considered at the next meeting of the Joint Committee.

Mr. Harris observes that enforcement of many of the existing ricsha licence conditions is impracticable. At the same time he favours promulgation of this regulation for the reason that owners on becoming aware that infringement of this regulation will result in cancellation of their licences would tend to comply with the Council's requirement. Although he agrees that this regulation may not entirely remove abuses he regards it as a definite gesture to assist the puller.

The Chairman states that he would prefer to postpone action until after the Committee's next meeting as in his view the proposals which have been submitted by the Vice-Chairman indicate a new line of approach to the whole subject.

As in any case this recommendation could not be given effect until July 1 next members agree that decision on this recommendation be deferred until the next meeting; meanwhile the Secretary undertakes to convene a meeting of the joint Committee for Wednesday next.

Site for Western Fever Hospital. - Mr. Massey refers to a recommendation recorded by the Health Committee at its meeting yesterday that an option, which expires on March 10, for the purchase of approximately 43 mow of land adjoining Kiaochow Road Park site be taken up to provide for a site for the Western Fever Hospital.

From a report submitted by the Commissioner of Public Works it is noted that on the assumption that 25 mow is sufficient for the Hospital site and that the surplus areas can be suitably disposed of, the net cost of the site would be Tls.600,000. Against this he estimates that the present "Island" site can be immediately disposed of for not less than Tls.756,030 and possibly as much as Tls.800,000. Whatever the respective prices prove to be, he feels he can safely say that the change in sites will mean a surplus of from Tls.150,000 to Tls.200,000.

Mr. Massey adds that irrespective of the decision to be reached in the matter of the accommodation of the fever nurses the Committee and the Commissioner of Public Health regard the Kiaochow Road site as more suitable than the "Island" site.

General Macnaghten refers to the views expressed by him at the meeting of the Health Committee on the question of the accommodation of fever nurses and states that he only concurred in the Committee's recommendation to purchase the additional land in Kiaochow Road if the Council affirmed its decision to accommodate such nurses in the hospital building. He therefore proposes that if the purchase of this additional area is now authorized decision as to the site for the hospital be left in abeyance.

The Treasurer & Controller concurs in this proposal provided early decision is reached for the disposal either of the "Island" site or that which it is now proposed be purchased since municipal funds do not permit the sinking of large capital funds which may remain idle for indefinite periods.

RESOLVED that the Commissioner of Public Works be authorized to take up the option for the purchase of approximately 43 mow of land immediately North of and adjoining the Kiaochow Road Park site; the question as to the selection of a site for the erection of the Western Fever Hospital to be considered at a later meeting.

The Commissioners of Public Works and Public Health withdraw.

Country Hospital - Board of Governors. - To fill the vacancy caused by the resignation of Mr. T. Morioka, it is

RESOLVED that Mr. T. Yamamoto be appointed to membership of the Board of Governors of the Country Hospital for the remainder of the current triennial period terminating on the date of the Annual Meeting of Ratepayers in 1936.

Traffic Committee - Membership. - To fill the vacancy caused by the resignation of Mr. T. Morioka it is

RESOLVED that Mr. T. Yamamoto be appointed to membership of the Traffic Committee for the remainder of the current municipal year.

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Municipal Orchestra and Band. - With the approach of the warmer weather Mr. Harris enquires whether the municipal Orchestra might not, commencing with the Easter Holidays, give outdoor performances.

Having regard to the meagre attendances at the Grand Theatre the Chairman expresses doubt as to whether the continued very heavy cost of maintenance of the Orchestra can be justified.

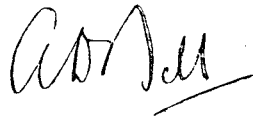
In this respect the Secretary states that Mr. Hughes, the Chairman of the Band Committee, has now abandoned his theory that the poor attendances at the Grand Theatre are in the main due to its unsatisfactory acoustic properties but are largely due to the late hour at which the performances are given. He considers the size of the audiences would increase if the concerts were given at 5 p.m.

The Treasurer & Controller states that the question of the attendances at the Orchestral Concerts was fully considered by the Committee at its last meeting. In his opinion having regard to the lack of public interest in the Orchestra its retention at a cost of approximately \$300,000 a year cannot be justified. The average attendances at the Orchestral Concerts are 400, the seating capacity of the Grand Theatre being 1950.

In concurring in the Treasurer's view the Chairman also agrees that the unpopularity of the Orchestra may to some extent be due to the fact that it does not cater to the public taste in music and it is noteworthy that a large section of the audiences which attend the performances in the Grand Theatre are not Settlement ratepayers. Although only a small saving could be effected during the current year by the abolition of the Orchestra he would welcome an expression of opinion by the Ratepayers as to its retention or otherwise. To obtain such an expression of view he favours the necessary motion being moved at the forthcoming annual meeting either by the Council or by a Ratepayer. Members generally concur in this view.

With regard to Mr. Harris' suggestion that in order to make more use of the Orchestra open air performances might be given during the Easter holidays this proposal will be referred to the Band Committee at its meeting on Monday next.

The meeting terminates at 6.15 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, March 21, 1934, at 4.30 p.m.,

there were:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnold (Vice-Chairman)
 C. G. Franklin
 T. Munatsu
 E. F. Harris
 S. L. Heu
 Brig.-Gen. E. B. Macaughten
 Messrs. P. W. Massey
 O. Okamoto
 Tsuyee Pei
 F. J. Raven
 L. T. Yuan
 The Commissioner of Public Works
 The Commissioner of Public Health
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu

Absent:

Messrs. T. D. Woo
 Yu Ya Ching

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

Outside Roads Negotiations. - The Secretary General furnishes the following information:-

At the discussion between the Vice-Chairman and himself with Mr. Yui and Mr. Choy on March 5 on the question of the appointment of an Assistant Chinese Commissioner, in addition to a Japanese Assistant Commissioner the Chinese representatives enquired whether in the opinion of the Council's representatives the Council would agree to these appointments. The Vice-Chairman and himself expressed the opinion that the Council would do so but no suggestion was made that the Council's immediate approval should be sought to this particular proposal. Last week Mr. Yui informed him that he was awaiting an intimation as to the Council's official approval of this arrangement and requested that this matter be brought to the Council's attention at to-day's meeting in order that he could be notified as to its approval or otherwise tomorrow and thus enable progress to be made in these negotiations. Mr. Yui also informed him that so far as the Headquarters office was concerned the City Government would agree to the appointment of a Chinese Commissioner, a foreign (non-Japanese) Deputy Commissioner, and one Japanese and one Chinese Assistant Commissioner. If these appointments were

recommended to Nanking by the local Chinese officials Mr. Yui considered they would be approved by the Central Government Authorities. Mr. Yui was also prepared to recommend to Nanking the appointment of a Chinese Superintendent and a Japanese Deputy Superintendent for the Northern District and a Chinese Superintendent and a foreign (non-Japanese) Deputy Superintendent for the Western District. He (the Secretary General) has kept the Japanese Consul General informed of the progress of these negotiations and today Mr. Ishii informed him that his Government would agree to the above proposals on the condition that the authority of the Chinese Assistant Commissioner is not on all fours with that of the Japanese Assistant Commissioner, in other words he required that in all cases pertaining to foreign interests the foreign Deputy Commissioner should consult with the Japanese Assistant Commissioner. Mr. Ishii further informed him that he had no authority from his Government to agree to the arrangement regarding the senior Police personnel for the Northern and Western Districts but that he would endeavour to secure its consent thereto.

Replying to members the Secretary General states that he interprets Mr. Ishii's proposal as requiring that the Japanese Assistant Commissioner shall have a voice in matters affecting foreigners possessing extraterritorial rights. The requirement now put forward by Mr. Ishii with the approval of his Government is practically identical to that which he submitted sometime ago as an expression of his personal view.

The Vice-Chairman states that he has discussed this proposal with Sir John Brennan and he gathered that he did not anticipate any exception would be taken to Mr. Ishii's proposals.

From the Council's point of view the Chairman does not consider that the requirement put forward by Mr. Ishii will interject any serious obstacle to progress in these negotiations.

As it would appear that the Chinese representatives desire to reach agreement with the Council on specific points as they arise prior to reference to Nanking and as his policy is to keep Mr. Ishii informed as to the progress of these negotiations the Secretary General enquires whether the Council is prepared to adopt the proposal above set forth.

Replying to a question by the Vice-Chairman as to the practical effect of this proposal the Secretary General states that he presumes that if the three senior officials of the proposed police force could not agree on any important point it would have to be referred for settlement to the Council and the City Government.

After further discussion the Secretary General is authorized to inform Mr. Ishii and the Chinese Authorities of the Council's acceptance of the proposal and also to notify the Chinese representatives of the Council's agreement to the proposal regarding the senior police personnel for the Headquarters office and for the Northern and Western Districts.

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The Chairman states that in the course of a recent conference with the Mayor he suggested to the Mayor that the time ^{was} ripe for the Commissioners of Police and the Commissioners of Public Works of both sides to confer and submit their recommendations regarding the strength of the Force and the area to be covered by the agreement respectively.

The Mayor preferred as a first step conferences between the two Commissioners of Public Works since the strength of the force materially depends on agreement as to the area to be covered.

In this connection Mr. Harpur states that he has arranged to meet the Commissioner of Public Works of the Shanghai City Government tomorrow.

Accommodation for Fever Nurses in the Victoria Nurses Home. - Relative to the discussion at the last meeting Mr. Massey states that in the interests of economy he, as Chairman of the Victoria Nurses Home Administrative Committee, at its meeting yesterday put forward a suggestion for renting the spare rooms in the Home to school mistresses and other female employees of the Municipal service. From tentative enquiries made by the Superintendent of Education it would appear that while the whole of the staff has not been canvassed some 16 to 18 employees would respond to this proposal.

The other four members of the Committee however opposed this proposal mainly on the ground that such an arrangement would be unworkable. He estimates that if a charge of \$125 per month per inmate were made the Council after allowing for additional overhead would profit by a sum of \$50 per inmate or if 25 rooms were so occupied by an amount of \$15,000 per year. He is unable to appreciate the objections put forward by the other members of the Committee that the accommodation in the Home of non-nursing members of the staff would be subversive of discipline since the clearly stated terms upon which they would be granted this privilege would be strictly enforced.

The Secretary General states that one of the members of the Administrative Committee called on him this morning and advanced as an additional reason against this proposal that the Council had proclaimed upon the erection of the Nurses Home that this was in part-substitution of the old Victoria Nursing Home, a portion of the funds for which had been provided by public subscription as a memorial to the late Queen Victoria. The Committee members accordingly took the view that it would be beneath the Council's dignity to convert a portion of the new Home into what might be described as a boarding establishment. He was informed that the other Committee members feel very strongly on this point.

The Vice-Chairman states that he has also been advised by one of the Governors of the Country Hospital that the Governors feel it will be impossible to maintain discipline if non-members of the Nursing staff are accommodated in the Home.

The Chairman states that he presumes Mr. Massey's proposal is an alternative to the accommodation of fever nurses in the Nurses Home. In

respect to the fever nurses an excellent suggestion has been made that the representative view of the entire medical faculty in Shanghai might be taken.

Replying to the Chairman the Commissioner of Public Health states that several local representative Medical Societies exist and he undertakes to obtain a representative opinion from them as early as possible.

After further discussion it is decided to defer consideration of the proposal put forward by Mr. Massey until the views of the local medical practitioners on the question of accommodating fever nurses in the Victoria Nurses Home are available.

Budget 1934. - The Treasurer & Controller reports that the budget for 1934 is now ^{R/S} practically completed and he hopes to present it to the Finance Committee within the next few days. The main feature requiring the Council's consideration is that of the General Municipal Rate to be levied. The total of the Ordinary Budget in its present form amounts to \$26,335,000 and the total estimated income available to meet this expenditure is \$24,431,000 representing a deficit of approximately \$1,950,000 which is equivalent to a 2% rate for a period of nine months. This shortage is slightly less than the initial deficit on last year's budget which in the final result will as disclosed in the Financial Statement show a small surplus. The main point for consideration is by what means the estimated deficit of approximately \$1,950,000 shall be met. In 1932 and 1933 the deficit was financed by transfers from general reserve in amounts of Tls.1,275,000 and Tls.1,500,000 respectively. In considering the question of reverting to the former rate of taxation he has taken into very careful account existing conditions in Shanghai. Since 1931 the total taxable assessments have increased by \$10,000,000 owing to erection of new properties and by reassessment of a large number of existing properties on an equitable basis. The level of assessment having been materially adjusted it remains for the Council to select the appropriate time to increase the percentage of taxation. The budgetary position is difficult owing to the fact that during the past few years the ratepayers have received what in effect amounts to a bonus in the matter of reduced taxation which was rendered possible by the sale of the Electricity Department. Without over-emphasizing local trade conditions it is obvious that the economic position at the present time is far from satisfactory in view of which he suggests that if means can be found to balance the budget other than by increased direct taxation for another year such a course should be adopted. There are sufficient funds in the general reserve to meet the estimated deficit on the current budget and he suggests the desirability of allocating a sum of \$2,000,000 to meet this deficit in accordance with the policy adopted during the past two years. The general reserve consists of a fund which has resulted from various adjustments connected with the application of the purchase price of the Electricity Department under which funds derived from the Ordinary Budget of past years have been released. The actual balance which will be left in general reserve if \$2,000,000 is applied to balancing the

current budget will be approximately \$580,000 which may however be augmented from other sources.

Replying to the Vice-Chairman the Treasurer states that a loan issue is contemplated during the current year; although during the past few years the floating of debentures when other funds were available would have adversely affected the Ordinary Budget.

After discussion and in appreciating that with the increased revenue obtained through the revision of assessments the Council's expenditure still very materially exceeds its available income from normal sources members express their gratification that for a further year it will not be necessary to seek the Ratepayers' authority for an increase in the General Municipal Rate.

The Treasurer & Controller's proposal that the budget be balanced by withdrawal from the General Reserve of an amount of \$2,000,000 is accordingly adopted.

The Commissioner of Public Works withdraws.

The Minutes of the Joint Meeting of the Watch and Traffic Committee of February 20, March 14 and March 19 are submitted and subject to the following observations are confirmed.

As certain of the recommendations recorded by the Joint Committee at its three meetings are inter-related the Chairman brings the more important of these specifically to members attention.

Recommendations Nos. 4 to 16 put forward by the Ricska Committee are with the modifications proposed by the Joint Committee adopted as are also the expressions of view, recorded by the Ricska Committee but not included in its summarized recommendations.

In respect to Recommendations Nos. 1 to 3 the Chairman states these were debated at considerable length by the joint Committee at its last meeting, finally in order to expedite progress in the matter of reform of the existing service it recommended the institution of a Board composed of three paid members whose duty it would be under clearly defined Terms of Reference to implement the Council's decisions. The Board will also be called upon to advise as to the eventual necessity of instituting an organization for the control of the number of ricskas specified in Recommendation No. 1. The advice and assistance of the Police, Public Works and Public Health Departments and the Revenue Office would be at the disposal of the Board at all times and it would report to the Council at frequent intervals.

Replying to Mr. Mei the Chairman states that Mr. Yu Ya Ching does not anticipate difficulty in securing two suitable Chinese members to serve on the Board and applications for appointment as the foreign member of the Board would be considered by the Staff Committee.

After discussion the recommendation put forward by the joint Committee at its last meeting relative to the appointment of a paid Board of three members to implement the decisions reached by the Council is adopted

it being agreed that with the institution of this Board the establishment of a new Committee to deal with Ricsha matters is unnecessary.

In expressing the Council's appreciation to Messrs. Massey and Harris of the time and labour they expended investigating and reporting on the Ricsha problem members direct that similar expressions of appreciation be transmitted to the non-members of Council who also served on the Committee.

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

The Minutes of the meeting of the Staff Committee of March 9, are submitted and confirmed.

The Minutes of the meeting of the Orchestra & Band Committee of March 12 are submitted and subject to reference to the Finance Committee of the section relating to the Annual Estimates are confirmed.

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

The Minutes of the meeting of the Education Board of March 14 are submitted and confirmed.

The Minutes of the joint meeting of the Health & Finance Committees of March 16 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee of March 16 are submitted and subject to the following observations are confirmed.

B/10/5 Application for Remission of Rate and Land Tax - Chinese Philanthropic Society. - Since this recommendation was recorded the Secretary has received a further letter from Mr. Fong Ping Non renewing the application for exemption from payment of Land Tax and general municipal rate and outlining the charitable purposes for which these premises are utilized.

As from the additional information furnished by the Chinese members and the Secretary it would appear possible that these premises are used to some extent for charitable purpose and not entirely as the headquarters of the Society members take the view that possibly some small concession in the matter of taxation could be made without prejudice to the Council's established policy.

The Treasurer & Controller is accordingly requested to arrange for the necessary enquiries to be made by the Revenue Office and at his discretion to make provision in the Budget for a slight concession in the matter of the taxation of these premises.

3/4/36 Shanghai Waterworks Company - Suggested Rebate. - The Secretary reports that at the present time the Shanghai Waterworks Company is charging for water by meter in accordance with a tariff applied as from April 1, 1933 and set out in an agreement between the Council and the Company dated May 9, 1933. The period commencing April 1, 1933, was intended to be, as is stated in the agreement, an experimental period. The Board of Reference at a meeting held on March 8, 1934, decided to recommend to the Council that a rebate of 20%

in water charges be put into effect in respect to all accounts for meters read on or after April 1, 1934, (or where there are no meters to all accounts from April, 1934, and subsequent months), the rebate to be reconsidered after a period of one year. The Company in a letter submitted desires the Council's consent, to apply the suggested rebate as above. The Board of Reference is of opinion that the suggested rebate can be put into effect without prejudicing the financial position of the Company. It is of the opinion that the rebate should be regarded as a temporary measure designed to afford relief to consumers pending consideration by the Board of a comprehensive scheme of tariff revision.

The Treasurer & Controller in confirming the contents of the letter from the Secretary of the Board of Reference states that the proposal now put forward is largely due to the efforts of Messrs. Peng Ming Man and Garney, members of the Board; whose services have proved extremely valuable.

After brief discussion it is

RESOLVED that the application of the Shanghai Waterworks Company that a rebate of 20% on water charges as from April 1, 1934 be authorized.

Shanghai Gas Company Ltd. - Franchise. - The Secretary refers to the agreement reached between the Council and the Gas Company whereby a royalty of Tls. 1,000 per annum, payable by the Company, came into effect from January 1, 1916, in lieu of the discount of 25% allowed the Council on public lighting charges. Public gas lighting is being discontinued but the agreement remains in force.

On September 8, 1933, the Public Utilities Committee, in view of the extensive use made of the Council's roads for the accommodation of gas mains, recommended that negotiations be opened with the Company for a franchise agreement on the same lines as those existing between the Council and other public utility companies.

After consulting the Departments concerned preliminary negotiations were opened with the Gas Company, which has admitted in principle the necessity of a franchise agreement.

In a report submitted the Treasurer & Controller furnishes the terms of a tentative agreement which has now been reached, and recommends confirmation thereof by the Council so that the necessary provision can be included in the current year's Budget.

It is noted that the royalty on the basis recommended by the Treasurer and endorsed by the Public Utilities Committee will for the current year amount to between \$50,000 and \$60,000 - as compared with Tls. 1,000 per annum hitherto paid by the Company and that further matters connected with the franchise agreement will be the subject of continued negotiation.

After brief discussion it is

RESOLVED that the tentative arrangements made by the Treasurer & Controller relative to the basis of a revised royalty to be paid by the Shanghai Gas Company, Ltd., be confirmed.

Election of Council - Provision of second Polling Station. - The Secretary

FSH reports that for the convenience of voters at the election of 1933 a second polling station was opened at Hongkew Police Station and arrangements were made with the Shanghai Telephone Company for a direct wire between that point and the Revenue Office. Similar arrangements have been provisionally made for the 1934 Election and the Council's confirmation thereof is requested.

RESOLVED that the arrangements made for the provision of a second polling station at the Hongkew Police Station be confirmed.

Municipal Service Club - Chinese. - The Secretary reports that in December, 1932,

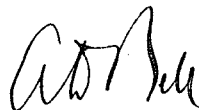
the Chinese Municipal Staff Association applied for a grant towards the establishment of a Club. In February, 1933, as the result of further discussion in the Council the Association was informed that if a Club for physical and intellectual development were organised and its membership thrown open to all Chinese municipal employees the Council would be prepared to consider its application for assistance. It was also suggested that the amount of the financial assistance should be left for discussion by the permanent officials concerned. The matter was eventually referred to the Treasurer & Controller to whom the Chinese Staff Association submitted the necessary particulars.

A report from the Treasurer & Controller is submitted in which he recommends that from March 1, 1934, an allowance at the rate of \$3,600 per annum be issued to the Club, that the premises on the third floor of the Tai Ho Building, Lloyd Road, whilst used for recreation purposes be exempted from payment of General Municipal Rate and that a loan of \$3,000 be authorized subject to repayment at the rate of \$600 per annum. The Association has agreed to comply with the requirements laid down by the Council in February 1933.

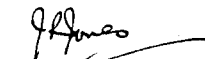
In view of the fact that the Council contributes to the foreign Municipal Service Club members agree that the proposals now submitted merit favourable consideration and it is

RESOLVED that as from March 1, 1934 financial assistance to the Chinese Municipal Service Club be accorded as recommended by the Treasurer & Controller.

The meeting terminates at 7.10 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, April 4, 1934, at 4.30 p.m.,

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnold (Vice-Chairman)
 E. F. Harris
 S. L. Hsu
 Brig.-Gen. E. D. Macaughten
 Messrs. F. W. Massey
 O. Okamoto
 Touyee Mei
 F. J. Raven
 T. D. Woo
 Yu Ya Ching
 L. T. Yuan
 The Commissioner of Public Works
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu

Absent:

Messrs. C. G. Franklin
 T. Funatsu

Messrs. J. W. Carney and J. H. Liddell, Councillors-elect for the Municipal Year 1934/35 attend.

Membership. - On behalf of the Council, the Chairman extends a cordial welcome to Messrs. J. W. Carney and J. H. Liddell and invites their consents on the speeches which will be delivered at the forthcoming Annual Meeting in support of the various Resolutions.

Death of Mrs. Cunningham. - The Chairman refers in feeling terms to the death of Mrs. Cunningham, wife of the American Consul General, which occurred today. Having regard to the close bond that united Mr. and Mrs. Cunningham over a long period of years and the tragic suddenness of the loss Mr. Cunningham has now sustained, members unanimously adopt the Chairman's proposal that a letter be addressed to Mr. Cunningham officially conveying the Council's deepest sympathy in his bereavement.

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

Outside Roads Negotiations. - The Chairman informs members that a further communication of a lengthy nature was received from the Japanese Consul-General yesterday. As time has not permitted a close study of this document by the Vice-Chairman and the Secretary General, consideration thereof is deferred to the next meeting.

The Commissioner of Public Works reports that he has had a

preliminary interview with the Commissioner of Public Works of the Shanghai City Government. As the letter was leaving for Peking the following day this discussion was of a general nature only. Dr. Shen-yi was of the opinion that for the purpose of defining the area to be covered by the agreement a parallel line at an agreed distance from the roads would not be satisfactory. He (Mr. Harper) agreed as to this since such a line would exclude certain properties already paying municipal taxation. Dr. Shen-yi considered that premises on which the Council would collect taxation should be confined to those in respect of which it at present collects taxation irrespective of whether or not they abutted on to a municipal road. Mr. Harper was unable to agree as to this. At this preliminary interview Dr. Shen-yi appeared to be more interested in the allocation of public works rather than in the defining of a specific area for the purpose of the *modus vivendi*. He learned that the City Government has laid down a widening scheme embracing the whole of the municipal roads and so far as concerns the negotiating of an agreement as to the area to be covered it would appear that Dr. Shen-yi has not been definitely instructed. He expresses the hope that when these discussions are resumed next week Dr. Shen-yi will then have been more fully instructed as to the object of these conferences and that his views will be modified.

Members concur with the Chairman that as the attitude adopted by Dr. Shen-yi in the matter is contrary to the spirit of the *modus vivendi* the Council could in no circumstances agree to any departure from the fundamental principle involved.

The Commissioner of Public Works withdraws.

The Minutes of the meeting of the Watch Committee of March 23 are submitted and subject to the following exception, are confirmed.

Volunteer Corps - Additional Staff. - Members' attention is drawn to the letter received from Mr. C. S. Franklin, outlining his reasons for his inability to support the Committee's recommendation that two regular army subalterns be engaged.

As the terms of service of these officers, if appointed, have to be considered by the Staff Committee, the Chairman suggests that confirmation of the recommendation regarding the engagement of two Subalterns be deferred until the Council is in possession of further information as to the cost involved. He understands that the Commandant does not wish to press a recruiting campaign until additional staff is available to justify the enrollment of extra recruits.

Replying to the Chairman Gen. Macnaghten expresses the opinion that the Council should give the Commandant's recommendation very careful consideration before rejecting it. He considers it may be possible to engage two subalterns for one year only, in order to assess their value to the Corps, and this proposal he suggests might be considered by the Staff Committee.

After discussion and in authorizing the appointment of a regular Army Captain to command the Russian Detachment it is decided to defer decision in the matter of the engagement of two subalterns until the recommendation of the Staff Committee is available as to the cost involved.

Members adopt Mr. Massey's proposal that consideration by the Staff Committee of this question be deferred until Mr. Franklin's return to Shanghai, meanwhile the Commandant's comment on the views expressed by Mr. Franklin will be obtained.

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

The Treasurer & Controller withdraws.

Chairmanship of Annual Meeting of Ratepayers. - On the Chairman's proposal it is

RESOLVED that Mr. A. W. Burkill be requested to take the Chair at the forthcoming Annual Meeting of Ratepayers.

Municipal Finance. - Relative to the information furnished by the Treasurer & Controller at the last meeting and to that contained in the minutes of the last meeting of the Finance Committee Mr. Tsuyōe Pei alludes to the fact that it has only been possible, in the absence of increased revenue, to balance the current budget by drawing on the general reserve. As after this withdrawal there remains the relatively small balance in general reserve of \$550,000 he expresses some concern as to the means to be adopted for balancing the budget for 1935 and unless all possible means for effecting economy are exhausted he feels somewhat reluctant in seeking the Ratepayers' authorization for an increase in taxation. Although he appreciates that rigid economy has been exercised in framing the 1934 budget he feels that the continued maintenance of the Orchestra is not consistent with this principle. He therefore proposes that at the forthcoming Annual Meeting the Council on the grounds of financial stringency should endeavour to obtain the Ratepayers' authorization for its abolition. The Council this year has had to modify its plans in respect to its educational programme accordingly he finds it difficult to justify maintenance of the Orchestra at an approximate cost of \$300,000. He therefore suggests that a formal resolution be moved by the Council in the above sense.

Whilst appreciating the necessity for the exercise of strict economy Gen. Macnaghten is of opinion that any resolution for the abolition of the Orchestra should be initiated by the Ratepayers and he recalls that when a few years ago this question was put to the ratepayers retention of the Orchestra was carried by a large majority.

As the Council has no hesitation in reducing expenditure on other Departments without reference to the Ratepayers the Chairman sees no reason why an exception should be made in the case of the Orchestra, accordingly in his opinion the moving of a formal resolution by the Council for the abolition of the Orchestra, thus affording the Ratepayers an opportunity

of expressing their views, would not be out of order. Having regard to the lack of public support accorded the Orchestra he finds it extremely difficult as a member of Council to justify its retention.

Mr. Pei adheres to his opinion that having regard to the Council's financial position it is its duty clearly to notify the ratepayers of the cost involved by continuation of the Orchestra and thus avoid criticism in the matter of the exercise of strict economy.

The Chairman states that he has no objection to a formal resolution for the abolition of the Orchestra being moved by the Council provided it is not pressed too hard. Although admittedly the upkeep of the Orchestra costs approximately \$300,000 this sum which is probably the approximate equivalent of $\frac{1}{4}$ of a 1% General Municipal Rate is not of such magnitude as materially to assist in balancing the annual budget.

Mr. Harris is unable to support Mr. Pei's proposal. The money expended on the Municipal Orchestra circulates in Shanghai and it is noteworthy that in other important cities the authorities during times of depression endeavour to increase the amount of money in circulation.

The Chairman is unable entirely to subscribe to this view since it could be logically contended that the money at present expended on the Orchestra could be expended on other municipal activities with more valuable results.

Mr. Raven agrees with Mr. Pei that the lack of public support of the Orchestra does not justify its continuance under existing financial conditions and that its abolition should be advocated by the Council.

Mr. Garay is reluctant to support a proposal by the Council for the abandonment of the Orchestra and favours means being devised, notably by catering more to the popular taste in music, for increasing its receipts thereby lessening the burden on the annual budget.

The Chairman observes that if authority were given for abolition of the Orchestra, no saving could be effected on the current year's budget. Although as before stated he does not regard its continuance as justified the fact remains that it is the only amenity provided by the Council which is not on a strictly utilitarian basis and from a cultural point of view its abolition would undoubtedly unfavourably reflect on the Council.

Mr. Harris suggests that no action as proposed be taken this year but that during 1934 a special effort be made to cater to the popular taste and that further consideration be given to the question of retention or otherwise in 1935 in the light of the results obtained in the intervening period.

After further discussion a majority of members favour a formal resolution being moved for the abolition of the Orchestra in order to afford the Ratepayers an opportunity of expressing their views and the Secretary General undertakes to include the necessary motion in the speech to be delivered by the Chairman.

Annual Meeting of Ratepayers - Resolutions. - The Chairman reads in the order in
F. 4/1 which they will be delivered the speeches relative to the various resolu-
tions. Subject to certain omissions and minor amendments in phraseology
these are approved and revised drafts will be furnished to members prior to
the Annual meeting.

Board of Film Censors - Membership. - To fill the vacancy caused by the resigna-
E. 4/1 tion of Mr. A. de C. Goverby it is

RESOLVED that Mr. H. Ellis be invited to serve on the Board
of Film Censors for the remainder of the current Municipal year.

General Hospital - Board of Governors. - After consideration of a memorandum
C. 11/2 prepared by the Secretary it is

RESOLVED that Drs. A. C. Bryson and T. B. Dunn and Messrs. J.
W. Carney and D. W. Massey be nominated at the forthcoming Annual
Meeting of Ratepayers for election to the Board of Governors of
the General Hospital.

Chairmanship. - In alluding to the fact that this is the last meeting of Council
F. 5/1 at which Mr. A. D. Bell will preside the Vice-Chairman on behalf of all
members expresses regret at the severance of Mr. Bell's connection with the
Council and appreciation of the time he has devoted to the Council's work.
His patience and thoroughness during his occupancy of the Chair and the
able manner in which he has presided over the Council's deliberations are
only equalled by the impartiality exercised by him in his consideration of
all points of view put forward. In proposing a vote of thanks to Mr. Bell
for his services, which is carried unanimously, he takes pleasure in wish-
ing him full enjoyment of his well-merited holiday.

In thanking members for the expression of appreciation conveyed
by the Vice-Chairman Mr. Bell states that in relinquishing his association
with the Council he feels a certain amount of melancholy. In heartily
reciprocating members' good wishes he expresses the hope that the Council
will meet with all success in solving the difficult and outstanding ques-
tions^{with} which the incoming Council may be confronted during its period of office

The meeting terminates at 6 p.m.

H. Arnold

Chairman.

J. Jones
Secretary.

At the Special Meeting of the Council held on Saturday, April 14, 1934, at

12 o'clock noon, there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 O. Okamoto
 Brig.-Gen. E. B. Macnaghten
 Messrs. Tsuyee Pei
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu

Absent:

Messrs. T. Funatsu
 P. W. Massey

Messrs. J. W. Carney and J. H. Liddell Councillors-elect for the Municipal year 1934/35 attend.

Appointment of Ricscha Board. - The Chairman states that this meeting has been ^{K.2/3} called at the request of several members who wish to discuss the appointment of personnel of the Ricscha Board.

Replying to the Chairman Mr. Harris states that his views are covered by the Vice-Chairman in his letter of yesterday's date which is as follows:-

"The position of foreign representative on the Ricscha Board has not been advertised, applications have not been invited, nor have the terms of service for the foreign and Chinese Commissioners been made public. This being so it would lay Mr. Massey and the Council open to grave criticism were any definite action taken in regard to the appointment without the ratepayers being given an opportunity of expressing their views and this was, he presumes, the opinion of most members of the Council. He suggests the proper procedure would be for the Chairman to state the facts at the ratepayers meeting and state the intention to recommend the appointment of Mr. Massey to the incoming Council. In the event of there being no opposition from the ratepayers there could not be any subsequent criticism of either the incoming Council's or Mr. Massey's actions in the event of this recommendation subsequently being adopted. This procedure would also give

Mr. Massey an opportunity, since he has recently been re-elected, of informing the ratepayers of his intention to resign in the event of his receiving the appointment."

Mr. Harris states that whilst maintaining his objection to a paid Board he doubts the wisdom of appointing thereto members who served on the Ricsha Committee; in his opinion this course will bring down severe criticism on the Council. At the same time he agrees that the experience gained by Messrs. Massey and Tchou during the period they served on the Ricsha Committee invests them with qualifications and experience, thus enabling them immediately to proceed with the work entailed, which an outsider would not possess.

General Macnaghten also agrees as to Mr. Massey's qualifications for this post but considers the procedure suggested by the Vice-Chairman should be followed. He regards the rates of pay proposed by the Staff Committee as somewhat excessive. Upon the Treasurer explaining that the rate of pay for the Chairman is based on that for a senior Assistant Commissioner of Police and that for the other members on the pay of less senior Assistant Commissioners, General Macnaghten agrees that as members of the Board will require to maintain their status vis-a-vis those members of the Police Force with whom they will come into close contact, the proposed rates of pay are justified.

The Chairman points out that the Minutes of the Staff Committee clearly indicate the necessity of explaining the position of the Council and of Mr. Massey to the Ratepayers should Mr. Massey be appointed to this post and he is convinced that unless this is done Mr. Massey would not consider accepting the position.

Supplementing the remarks contained in his letter the Vice-Chairman states that he deprecates undue haste being exercised in the matter of these appointments, the present Council's term of office is nearing completion and he suggests that the proper course to be followed is for the Council to recommend to its successor nominees for these appointments. His opinion is influenced by the fact that these appointments have not been advertised nor applications invited. Accordingly immediate appointments without intimation to the ratepayers will in his opinion place both the Council and Mr. Massey in an invidious position. He therefore advocates that the Council should clearly state at the Annual Meeting that it regards Mr. Massey as the most suitable person for this post and thus afford him an opportunity of explaining his position to the ratepayers.

The Chairman concurs as to the propriety of a clear statement being furnished to the ratepayers, hence the desire of the Staff Committee to obtain the Council's decision as early as possible. Adoption of this course will afford the ratepayers an opportunity of expressing any opposition to the Council's proposal and thus silence future criticism. In his opinion if Mr. Massey is regarded by the Council as the most suitable person for the post the fact that he is a Councillor should not weigh against him. In respect to the point made by the Vice-Chairman that this position has not been advertised,

some ten applications have been received and the Staff Committee took the view that these applicants exhausted those with claims to serious consideration.

In agreeing that no useful purpose would be served by inviting applications for these posts the Vice-Chairman re-iterates his opinion that the fact that this has not been done more than ever necessitates a clear statement to the ratepayers before definite action is taken by the outgoing Council.

Mr. Harris states that he is unable to appreciate the usefulness of taking an expression of view by the ratepayers at the Annual meeting, in his opinion it is unlikely if the Council's statement was made without warning that there would be any opposition expressed: this fact however would not prevent subsequent criticism from other quarters.

The Chairman is unable to subscribe to Mr. Harris' view as in his opinion a clear statement to the ratepayers as to the Council's reasons for recommending the appointment of Mr. Massey and Mr. Tchou will go far to silencing subsequent criticism from what might be described as the underworld section of the public. He re-iterates his doubt whether Mr. Massey would accept this appointment unless the Council is unanimous in its decision and a clear statement is made to the ratepayers enabling opposition or approval thereof to be expressed.

On behalf of the Chinese members Mr. Hsu states that he favours adoption of the proposal put forward by the Vice-Chairman particularly so as Mr. Massey has been re-elected to the Council by the ratepayers.

The Vice-Chairman then suggests that the ratepayers be informed that a number of applications was received for these posts and that so far as regards the foreign member, Mr. Massey's qualifications were regarded as the most suitable. In concurring in this proposal members also consider that the ratepayers should be clearly informed that Mr. Massey as a member of Council opposed the formation of a paid Board and as an alternative strongly urged adoption of the Ricscha Committee's recommendation that an organization be formed to operate a specified number of ricschas.

Members concur in Mr. Franklin's suggestion as to the desirability of giving the ratepayers prior notice of the Council's intention to bring this matter forward at the Annual Meeting.

After further discussion it is

RESOLVED (1) that the terms of appointment of the members of the Board of Ricscha Control as recommended by the Staff Committee be approved (2) that the procedure advocated by the Vice-Chairman in his letter of April 13 relative to the appointment of Mr. Massey be adopted reference also to be made to the recommended appointment of Mr. Tchou and (3) that the Council's intention to bring this question forward at the Annual Meeting be notified to the public through the press not later than Monday evening next.

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April 14, 1934.

Municipal Orchestra Band. - The Chairman states that since the last meeting
E.3/1. Mr. Harris has notified him that he did not understand that the Council
proposed to move a definite resolution at the Annual Meeting for the aboli-
tion of the Orchestra but would merely seek an expression of views from
the ratepayers. He gathers that Mr. Harris takes the view that the
Council's attitude should be to give free rein to an expression of view by
the ratepayers or by individual members of Council in their capacity of
ratepayers and should refrain from advocating abolition.

The Chairman then reads the draft speech preceding the moving of
this resolution and Mr. Harris agrees that the procedure to be adopted
conforms to the decision reached at the last meeting.

The Chairman refers to certain letters which have appeared in
the press and in particular to one in today's issue of the "North China
Daily News." From statements in the latter, which appears over a pseudonym
it is obvious that information as to the proceedings of the last Council
meeting has been divulged to the writer by someone present at the Council's
discussion. In the event of immoderate statements, such as those contained
in this letter, being made by anyone present at the Annual Meeting he will
have no hesitation in his individual capacity as a ratepayer in strongly
presenting his views in favour of the abolition of the Orchestra. His
attitude in this matter depends entirely on a continuation or otherwise of
the bitter and acrimonious discussions ventilated in the press and on the
trend of the statements which may be made at the Annual Meeting.

Council Meeting. - In referring to two questions requiring early consideration
by the incoming Council i.e., the Connaught Road incident and the immediate
acquisition of the area scheduled from Cadastral Lot 160 for the widening
of Nanking Road, the Chairman states that it has been suggested to him
that the first meeting of the new Council should be held at 4.30 p.m., on
Thursday next instead of at 12 o'clock noon as already arranged, to permit
discussion of these two questions.

After brief discussion it is decided to cancel the meeting called
for 12 o'clock noon on Thursday next and instead to meet at 4.30 p.m.

Membership. - The Chairman expresses regret at an omission on his part at the
F.4/12. last regular meeting, in that on behalf of the Council he failed to express
appreciation of the services rendered by Mr. Raven during his service on
the Council. He takes advantage of this opportunity to thank Mr. Raven for
the assistance he has given the Council and expresses regret that owing to
his departure on home leave he was unable to stand for re-election.

The meeting terminates at 12.35 p.m.

J. Jones
Secretary.

[Signature]

Chairman.

At the meeting of the Council held on Thursday, April 19, 1934, at 4.30 p.m.,

there are:-

Present:

Messrs. H. E. Arnhold
 J. W. Carney
 C. S. Franklin
 T. Funatsu
 E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 J. H. Liddell
 Brig.-Gen. E. B. Macnaghten
 Messrs. P. W. Massey
 O. Okamoto
 L. T. Yuan
 Yu Ya Ching
 The Secretary General,
 The Secretary, and
 Dr. J. C. H. Wu

Absent:

Mr. Tsuyee Pei

Election of Chairman. - The Secretary refers to a letter he has today received *F. S/14* from Mr. Tsuyee Pei regretting his inability to be present at this meeting owing to indisposition and requesting that he be permitted through Mr. Singloh Hsu to record his vote for the election of the Chairman and Vice-Chairman. The Secretary states that although no provision for such proxy voting exists in the Land Regulations, this course can be adopted with the consent of members.

Members unanimously approve the request put forward by Mr. Tsuyee Pei.

Ballotting then takes place for the election of Chairman and Mr. H. E. Arnhold is elected Chairman.

Upon taking the Chair Mr. Arnhold thanks members for their confidence and expresses his assurance as to the co-operation of his fellow members during the forthcoming year.

Election of Vice-Chairman. - As a result of a ballot Brig.-Gen. Macnaghten is *F. S/14* elected Vice-Chairman by a large majority.

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

Connaught Road Incident of April 7. - Reports by the Commissioner of Police and *G. S/12* by the Chief Officer of the Fire Brigade together with a letter from the Omnibus Company covering various reports relative to the above incident are submitted.

Replying to the Chairman the Commissioner of Police states that he has forwarded a protest to the Chief of the Public Safety Bureau to which no reply has been received. Owing to the statements which have appeared in the foreign press resulting in the publication of an official statement by the Public Safety Bureau he doubts whether the Bureau will now recede from the position it has taken publicly hence he does not anticipate a reply to his official protest.

The Secretary General states that he discussed this incident in a general way with Mr. Yui a few days ago. Mr. Yui ridiculed the statements that have been made that the victim of this incident was alive at the time the Chinese Police prevented his removal from under the bus in order that a photograph might be taken. The Chinese authorities resent this allegation and from the trend of his conversation with Mr. Yui he agrees with the Commissioner of Police that there is little likelihood of a reply to his official protest being forthcoming.

In respect to the allegation that one of the foreign Police Officers was assaulted by a Chinese policeman the Commissioner of Police states that he has no evidence as to this. On the other hand Sub-Inspector Pridmore has stated that whilst bending over a stretcher he was pushed down but was immediately helped to his feet by a Chinese policeman and a bus conductor. This Sub-Inspector further stated that upon his arrival the victim of the accident appeared to be dead for which reason he did not force the issue in respect to his removal from under the Bus.

Members concur with the Chairman that whether or not the man was dead he should have been removed from under the Bus as quickly as possible in order to leave no doubt as to this.

Mr. Harris considers this case emphasizes the potential danger of the existing system of dual control and he suggests that possibly the Chinese police might be willing to withdraw from the outside roads until the agreement for policing is concluded. In any case he considers that the Council should endeavour to reach an agreement with the Chinese Authorities that in any case where injuries are sustained by an individual it should be recognized that the first duty of the Police is to arrange for his conveyance to a hospital without delay. He also considers that notices to this effect should be issued to the police of both administrations in English and Chinese, and the question of responsibility for the accident be left for subsequent settlement.

The Chairman is of opinion that there is little likelihood of the Chinese police agreeing to withdraw since the number of Chinese police on the outside roads has steadily increased. He considers that the Council should rather stress the necessity of the Chinese police whilst functioning on these roads refraining from interfering with the Municipal police in the execution of their duties, and he proposes that the Council should address a formal protest to the Chinese Authorities emphasizing this point.

Mr. Massey states that he is under the impression that during the preliminary negotiations with the Chinese Authorities it was agreed that pending an agreement being reached the status quo of these roads should be maintained.

The Secretary General states that this verbal arrangement applies only in so far as the physical aspect of the roads is concerned, i.e., in the matter of the maintenance of their surfaces. In the course of his conversation with Mr. Yui the latter stated that the reason the Chinese police insisted on the victim of this accident remaining under the bus until a photograph had been obtained was in order to obtain evidence since difficulty is experienced in obtaining compensation from the party responsible for the death or injury of a Chinese. Chinese psychology does not take into account such factors as contributory negligence and in a case such as that now under consideration from the Chinese point of view the Omnibus Company is held responsible whether it was negligent or not. As members are aware the modus vivendi which is now being negotiated provides for Chinese police to take action in cases where Chinese are concerned and for the foreign section of the proposed joint police force to assume charge in cases where foreigners are involved. He gathered from Mr. Yui that the Chinese police regarded this particular case as one falling within the former category overlooking the fact that the Omnibus Company is a foreign organization. He agrees as to the advisability of a protest being lodged by the Council against the interference of the Chinese police with the Municipal police in the execution of their duty although as before stated he does not anticipate that the Council will obtain any satisfaction.

Upon the Chairman stating that he was under the impression that in 1928 it was agreed by the Chinese authorities that there should be no encroachment on these roads by their police pending an agreement being reached the Secretary General states that there is no written record as to this either in the archives of the Council or of the Consular Body. Whatever verbal arrangements may have been reached some years ago is now regarded by the Chinese authorities as having lapsed as a result of later developments. They now take the view that they have police jurisdiction over these roads which they do not propose to forego.

Members agree with the Chairman that the Council should not tacitly accept that view point which may result in the occurrence of some major incident prior to a definite agreement being concluded.

After further discussion members agree as to the advisability of a protest being transmitted to the Chinese authorities whereafter the Chinese members undertake unofficially to take up this matter with the Chinese authorities in order to avoid a repetition of the action taken by the Chinese police in connection with this incident.

RESOLVED that a protest be addressed to the Chinese authorities drawing attention to the protest already forwarded by the Commissioner of Police and stressing the necessity, pending a final agreement being

reached, of the Chinese Police refraining from obstructing the Municipal police in carrying out their duties on the outside roads.

The Commissioner of Police and the Chief Officer, Fire Brigade withdraw, and the Commissioner of Public Works and the Treasurer & Controller attend.

The Minutes of the meeting of the Works Committee of April 10 are submitted and subject to the following modification are confirmed.

Fearon Road Depot, Cadastral Lot 1153, Northern. - In respect to the terms of payment for the area of Mow O.959 Mr. Okamoto states that he has been requested by the Japanese Residents' Corporation in view of its financial position again to request the Council that the period of payment be extended, such payment to commence three years after possession is given and to be spread over a period of three years from that date.

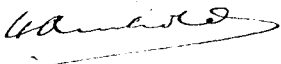
The Treasurer & Controller states that he is willing to support this proposal subject to an agreement being drawn up providing for the title deeds to be retained by the Council and interest on the outstanding balances being paid at 5% per annum.

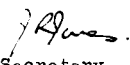
After brief discussion it is

RESOLVED that payment for the area of Mow O.959 to be purchased by the Shanghai Japanese Residents' Corporation be spread by three instalments over a period of three years, payment to commence three years after the date it takes possession of the property, interest at the rate of 5% per annum to be paid on the outstanding balances and the title deeds to be retained by the Council until the full purchase price has been paid.

Nanking Road Widening - Cadastral Lot 160. - The Commissioner of Public Works reports that since the meeting of the Committee he has been given to understand that leases of comparatively short duration are held on only two of the shops affected by this road widening. The actual value of the buildings which would be demolished is relatively small.

The meeting terminates at 5.30 p.m.


Chairman.


Secretary.

At the meeting of the Council held on Wednesday, May 2, 1934, at 4.30 p.m.,

there are:-

Present:

Mr. H. E. Arnold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 J. H. Liddell
 P. W. Massey
 O. Okamoto
 Tsuyee Pei
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu

Absent:

Mr. T. Funatsu.

The Minutes of the meetings of April 4, 14, and 19 are confirmed, and signed by the Chairman.

G 1/3
Connawht Road Incident of April 7. - The Chairman states that since the last meeting the Commissioner of Police has received a reply to his protest from the Chief of the Public Safety Bureau of the Shanghai City Government. Furthermore Mr. Yui has informed him that immediately after an investigation of this incident the Mayor issued instructions to the Chinese Police Force that in any such future cases steps are to be taken to ensure that first aid will be immediately forthcoming. In view of the action taken by the City Government authorities no formal protest against this incident was entered by the Council.

F. 7/6
Outside Roads Negotiations. - The Chairman states that at a meeting last week between the representatives of the Council and of the Shanghai City Government progress was made insofar as definite instructions were given to both Commissioners of Public Works immediately to prepare a map shewing the area to be covered by the proposed agreement. Mr. Harpur has prepared a plan for submission to Dr. Shen-yi and although it may not be accepted as drawn it will provide a basis for negotiation. The negotiations in the matter of the strength of the proposed joint Police Force will be resumed upon the return from Tokyo of the Japanese Consul-General which he understands will be tomorrow.

Standing Orders. - In view of the articles and letters which have recently appeared in the local press which would indicate that the trend of discussions and decisions reached in the Council Chamber may have been disclosed outside the Council the Chairman states that the Secretary has prepared copies of Standing Orders Nos. 43 to 46 inclusive for members' guidance and retention.

Replying to Mr. Harris as to whether these Standing Orders have been adopted by the Ratepayers or whether they are adopted by successive Councils each year the Secretary states that the Standing Orders in their existing form were after very full consideration adopted by the Council three years ago in substitution for those which had been in force for very many years. The Standing Orders which are consistently acted upon are brought to the notice of members of newly elected Councils at their first meeting.

Upon Mr. Harris expressing doubt as to whether Standing Orders adopted by a former Council can be binding on its successors and suggesting that they be formally adopted at the first meeting of each newly elected Council the Secretary submits that it would be prejudicial to the continuity of procedure for the Standing Orders to be subjected to variation at the beginning of each year, and Mr. Liddell points out that periodical revision is unnecessary as any point may be considered when the necessity arises.

After brief discussion members agree that the existing procedure should be maintained whereunder each newly elected member of Council is furnished with a copy of the Standing Orders for his guidance.

The Minutes of the meeting of the Health Committee of April 3 are submitted and confirmed.

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

The Minutes of the meeting of the Education Board of April 11 are submitted and confirmed.

Recognition of Council's Schools. - The Secretary states that as a result of further representations made by the Chinese members of the Board to the Commissioner of Education since his return from Peiping Mr. P'an has now notified the Chinese Education Officer of his willingness to substitute another letter for his communication dated April 2 which is regarded by the Board as unsatisfactory. The Commissioner stated that this letter was drafted by his subordinates and that he does not approve of its contents and he requests that it be returned. He (the Secretary) has informed Mr. Chen that if the Commissioner will send in another letter the former one received by the Council will be regarded as cancelled. This letter which now forms part of the Council's records, has been considered by the Education Board and by the Council and forms part of

the official Minutes.

Mr. Yuan states that the request for the return of the original letter is in accordance with Chinese custom and he urges that it be complied with.

Members agree that for purposes of official record the case will be met if a copy of the letter is made and retained on the files and it is

RESOLVED that the request of the Commissioner of Education that his communication of April 2 be returned be complied with.

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

Committee Membership. - A list of Committees prepared by the Secretary has been furnished to members. Subject to the following variations the list as submitted is approved.

Orchestra & Band Committee. - Upon the suggestion of Mr. Carney and in order to ensure that the membership of this Committee be as representative as possible, thus obviating public criticism an increase in membership from six to nine is authorized. In addition to the six members already shown on the list submitted invitations will be addressed to Mr. L. de Luca, a former member of the Committee, and to one American and one Japanese representative.

Traffic Committee. - Upon the suggestion of Mr. Harris, Mr. W. J. Gulliver will be invited to serve on this Committee.

Public Utilities Committee. - Upon the suggestion of Mr. Singloh Hsu Mr. Feng Ping Nan will be invited to serve on this Committee.

Country Hospital - Board of Governors. - The Secretary reports that under Clause 8 of the Deed of Gift of the Country Hospital, Mr. S. Fessenden was due to retire from the Board of Governors on the day of the Annual Meeting of Ratepayers in 1934. His re-appointment for a further period of three years is proposed for the formal approval of the Council in accordance with Clause 7 (a). An arrangement was in 1929 made with the donor of the Hospital for Mr. Fessenden to continue as a Governor although no longer a member of Council.

Mr. Fessenden states that in deference to the request of members of the Board he is willing to continue to serve thereon.

RESOLVED that Mr. S. Fessenden be reappointed to the Board of Governors of the Country Hospital for a further period of three years as from the date of the Annual Meeting of Ratepayers in 1934.

Mr. P. W. Massey withdraws.

Appointment of Board of Ricsha Control. - The Chairman refers to the decision reached at the meeting of April 14 relative to an announcement being made at the Annual Meeting of Ratepayers of the Council's intention to recommend to its successor the appointment of Mr. P. W. Massey to membership of the Ricsha Board and further to make public in the press this

intention prior to the meeting. Owing to subsequent developments this procedure was not adopted. He later requested the Secretary to circulate members giving his views on the status of the Board since in his opinion if it is to function successfully the remuneration of its members must be commensurate with their responsibilities. Upon further consideration he does not consider that the rate of pay already approved by the Council is in keeping with the duties and responsibilities involved. The remuneration already approved has by some means become known to the public and it has been intimated to him from several sources that it would appear the Council is not regarding this question with sufficient seriousness if it proposes only to pay to members of the Board the salaries already approved. As against this opinion a letter has today been received from the Vice-Chairman re-iterating his view that an increase in the already authorized rates of pay is uncalled for. For members' information this letter is read by the Secretary.

The Chairman suggests and members concur that the questions of remuneration and of the personnel of the Board be dealt with separately.

For members' information the Secretary outlines the sequence of events which occurred following the decision reached at the meeting on April 14 which resulted in no announcement being made at the Annual Meeting of Ratepayers.

Regarding the personnel of the Ricaba Board some members consider that as this subject is being considered de novo it might be advisable to consider afresh the various applications which have been received for these appointments. Accordingly the Secretary briefly outlines the qualifications of these applicants.

Replying to the Chairman Mr. Tsuyec Pei states that these applications were very carefully considered by the Staff Committee and that with the exception of Mr. Massey and Mr. Dritton none was regarded as possessing the required qualifications.

A majority of members take the view that if Mr. Massey by virtue of the information and experience he has acquired is regarded as the most suitable candidate for the post of foreign member of the Board the public should not be deprived of his services solely for the reason that no public statement was made at the Annual Meeting.

After lengthy discussion and upon Mr. Massey being duly proposed and seconded his appointment is carried by a large majority, and appointment of the two Chinese nominees Mr. Anson T. Wong and Mr. M. T. Tchou is carried unanimously.

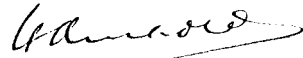
With regard to remuneration, the Council's previous decision is affirmed.

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In respect to tenure of service a member observes that if these appointments are subject to one month's notice it is possible that the Council might be deprived of the services of one or more members before any definite results have been achieved. It is therefore proposed and members concur that the appointment in the first instance be for a period of six months.

RESOLVED that Messrs. P. W. Massey, M. T. Tchou and Anson T. Wong be invited to serve on the Ricsba Control Board with pay at \$1,100 and \$900 per mensem for the Chairman and members respectively the appointments in the first instance to be for a period of six months and terminable thereafter by one month's notice on either side.

The meeting terminates at 6.15 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, May 16, 1934, at 4.30 p.m.,

there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. R. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 J. H. Iiddell
 O. Okamoto
 L. T. Yuan
 Yu Ya Ching

The Commissioner of Public Health
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu

Absent:

Messrs. T. Funatau
 Tsuyee P'ai

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

f. 7/6. Outside Roads Negotiations. - The Chairman informs members that the Japanese Consul General has returned to Shanghai but that pressure of business has prevented him from resuming these discussions. He hopes however that the discussions will be resumed this week.

K. 25/3. Appointment of Board of Ricsha Control. - Members are informed that Messrs. P. W. Massey, M. T. Tchou and Anson T. Wong have accepted the Council's invitation to constitute the Board of Ricsha Control and that Mr. Massey has tendered his resignation from membership of the Council.

The Minutes of the meeting of the Orchestra & Band Committee of May 10, are submitted and confirmed.

E. 3/1. Abolition of Orchestra. - Mr. Singloh Hsu refers to the resolution which has been passed by the Shanghai Chinese Ratepayers Association in favour of the abolition of the Orchestra, to which he desires to draw the Council's attention.

In noting that a copy of this resolution has been received by the Council members agree that as the last meeting of foreign ratepayers definitely authorized the continuance of the Orchestra for the current year, action for its abolition cannot be taken during that period.

Membership. - The resignation of Mr. P. W. Massey having been accepted it is P. 5/12. unanimously

RESOLVED that to fill the existing vacancy on the Council Mr. W. P. Lambe be invited to serve for the remainder of the current Municipal year.

Accommodation of Fever Nurses in the Victoria Nurses Home. - Relative to the C. 13/5 discussion at the meeting of March 21 a report by the Commissioner of Public Health forwarding the views of the local medical societies on this question is submitted. It is noted that the majority of medical practitioners support the view expressed by the Commissioner of Public Health that if the necessary prophylactic precautions are taken no risk will be run by accommodating fever nurses in the Home. On the other hand it is generally agreed that this question having been publicly ventilated any infectious case which might occur in the Country Hospital would be attributed to the Council's action of housing fever nurses in the Home. For this reason the Commissioner of Public Health no longer recommends their accommodation in the Home. If the fever nurses are to be accommodated in the new fever hospital building he favours its erection on a portion of the Kiaochow Road site.

After discussion and in agreeing that due weight should be given to public opinion on this question it is

RESOLVED (1) that provision be made for the accommodation of fever nurses in the plans of the new fever hospital building (2) that the fever hospital be erected on a portion of the Kiaochow Road site and (3) that the "Island" site opposite the Country Hospital be disposed of as and when opportunity offers.

Victoria Nurses Home Administrative Committee - Membership. - To fill the vacancy C. 16/2 on this Committee created by the resignation of Mr. Massey and upon Brig.-Gen. Macnaghten expressing his willingness to serve thereon it is

RESOLVED that Brig.-Gen. E. B. Macnaghten be appointed to membership of the Victoria Nurses Home Committee and that Mr. W. P. Lambe and Mrs. J. Maxwell be invited to retain their seats thereon for a further year.

Board of Ricsha Control - Orders of Reference. - Copies of the Orders of Reference to the Board of Ricsha Control prepared by the Secretary have been furnished to members. The Secretary states that the draft has been agreed by members of the Board. After brief discussion the Orders of Reference as submitted are adopted and directions are given that the contents of Part I thereof be published in the press.

The meeting terminates at 5.10 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, May 30, 1934, at 4.30 p.m.

there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 O. Okamoto
 Tsuyee Pei
 L. T. Yuan
 Yu Ya Ching

The Commissioner of Police
 The Commissioner of Public Health
 The Treasurer & Controller
 Mr. P. W. Massey
 The Secretary General, and
 The Secretary.

Absent:

Messrs. T. Funatsu
 S. L. Hsu.

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

7/4. Outside Roads Negotiations. - The Chairman informs members that at a conference held last week between himself and the Secretary General and the British and Japanese Consuls-General the outstanding points at issue relative to the senior personnel of the proposed joint Police Force were satisfactorily disposed of. As a result of this agreement a new draft modus vivendi has been prepared and submitted to the Chinese authorities for their approval. The next two weeks will shew whether the Chinese authorities are sincere in their expressed desire for a conclusion of this agreement. Mr. Choy is at present in Nanking and upon his return sometime this week Mr. Yui will arrange for a further meeting. If the revised agreement is approved two outstanding matters remain to be dealt with (1) the area to be covered by the proposed agreement as to which a rough plan has been prepared by the Commissioner of Public Works it being understood that Dr. Shen-yi is preparing and will submit a counter plan within the next few days and (2) the composition of the proposed joint police force. The Mayor desires this latter question left over for settlement until agreement is reached in the matter of the area to be covered. These two matters will not be included in the formal agreement

but the correspondence pertaining thereto will form an attachment to the agreement.

The Minutes of the meeting of the Watch Committee of May 18 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee of May 23 having been approved by circular are formally confirmed.

The Minutes of the meeting of the Education Board of May 23 are submitted and confirmed.

1.2/4 Grants-in-aid to Chinese Schools. - In regard to the revised procedure adopted by the Board in respect to applications for grants-in-aid under which the actual requirements of each school will be considered in relation to the grant recommended the Treasurer & Controller submits that whatever form of procedure is adopted the amount of the grants must ultimately depend upon the funds at the disposal of the Council. Members unanimously subscribe to this view and Mr. Harris states that the Board appreciates that grants which will be apportioned pro rata to the requirements of the Schools will be based upon the fund made available by the Council.

The Treasurer states that his remarks on the subject of grants apply with equal force to any change in policy in the matter of the provision of a new type of primary school and that expenditure involved for this purpose will be subject in the final instance, to the concurrence of the Finance Committee.

In this respect Mr. Harris states that no recommendation has yet been recorded by the Board which will give this provision further consideration in due course.

The Minutes of the meeting of the Public Utilities Committee of May 25 are submitted and confirmed.

1.7/1 Ricsha Licence Conditions. - A draft of the revised licence conditions for Public and Private Ricschas agreed between the Board and Municipal departments has been furnished to members.

The Chairman observes that if these revised conditions are approved it will be necessary to secure the consent of the French Municipal Authorities since the licences in respect to private ricschas are interchangeable in both areas.

Replying to the Chairman the Commissioner of Police states that time has not permitted him to make an exhaustive study of the revised conditions; it is obvious however that the enforcement of some of them is impossible. He instances the prohibition against a public ricscha carrying a person suffering from an infectious disease and he submits that it is quite impracticable for the police to detect whether a passenger is infected or to expect the owner to control the ricscha puller unless the puller is his servant.

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The Secretary states that the view taken at the preliminary conference between the Board and departmental representatives was that whilst so far as possible the conditions imposed on pullers should be excluded from those imposed on owners it was nevertheless desirable to strengthen the Council's hands as far as possible and warn the owner of his responsibility for the use to which ricschas may be put.

The Commissioner of Police states that he has raised the question as to the unenforcibility of certain of the proposed conditions in order to forestall any criticism which may be levelled against the police for non-enforcement of such conditions.

Mr. Massey concurs with the Commissioner of Police as to the difficulty of enforcing certain conditions in the ricscha licences. These conditions will however also be included in the pullers' licence and the Board will look to the puller rather than to the owner for observance thereof. By inclusion of certain of these conditions in the owners' licence it is hoped that the owner will instruct the puller as to his duties. Whilst it is realized that omission of this duty on the part of the owner cannot be made punishable action will be taken against the pullers themselves for infraction of any of the conditions of their licence.

After general discussion members agree that inclusion in the owners' licence of the conditions referred to will serve a useful purpose insofar as they will tend to induce the owners to take precautions.

The revised licence conditions are then approved for submission to the French Municipal Authorities for their concurrence prior to publication.

In respect to the Chinese translation of these revised conditions Mr. Pei, in order to avoid misunderstanding stresses the desirability of an exact translation being made. The Secretary states that the translation will be prepared by the Council's official translator and submitted to the Chinese members of the Board prior to publication.

With regard to the report of the Board which is not submitted for consideration at this meeting the Vice-Chairman suggests that the proposed formation of a Pullers' Mutual Aid Association may conflict with the aims of the Ricscha Mission. As there would appear to be no need for both these institutions he suggests for the consideration of the Board that this question be taken up with Mr. R. W. Davis with the view possibly to the funds held by the mission reverting to the Association in the event of the Mission ceasing to function.

Mr. P. W. Massey and the Commissioners of Police and Public Health withdraw.

Waterworks Company - Directorship. - In connection with the retirement of Mr. A. D. Bell from the Board of Directors of this Company and the nomination by the Council of a new Director the Chairman refers to the

comment made by Mr. Harris on the circular forwarded to members suggesting the appointment of Mr. Lambe to fill this vacancy. The Chairman states that whilst he appreciates that the Council under the conditions of the franchise has complete freedom in the matter of its nominations it is at the same time desirable to nominate someone acceptable to the Company.

Mr. Harris emphasizes that he in no way queries the name suggested by the Company, which in his opinion is a most happy choice. As a matter of principle however he considers it is improper for the Company to make to the Council a suggestion as to who should be nominated to the Board. It is obviously the intention of the relevant clause in the franchise that the Council should appoint two directors to represent the interests of the consumers and the community. In his opinion it is desirable that the Council's future nominations to the Board should be made by secret ballot and he suggests that the letter from the Company together with his written comment be published in the Gazette.

The Chairman states that he is unable entirely to agree with the view expressed by Mr. Harris since he assumes that the object of the Council's nominations is in order to ensure that its close collaboration with the Company is maintained in the interests of the Ratepayers and the shareholders.

Certain members whilst unable to appreciate the necessity for a secret ballot agree with Mr. Harris as to the impropriety of the Company suggesting nominations, and the Company will be informed accordingly.

In view of this discussion Mr. Lambe states that he would prefer not to be nominated to this position but in view of the Council's unanimous wish that he act as one of its representatives on the Board he agrees to serve.

RESOLVED that Mr. W. P. Lambe be appointed to the Board of Directors of the Shanghai Waterworks Company vice Mr. A. D. Bell, resigned.

Chairman - Leave of Absence. - The Chairman states that urgent business matters necessitate his making a brief visit to Europe and that he desires to leave towards the end of June, arriving back in Shanghai on September 3. It is proposed that the annual recess be effective from July 26 to September 4 inclusive hence he would only be absent for two Council meetings. In respect to the Outside Roads negotiations these have progressed as far as possible until the revised agreement has been approved by the Chinese Authorities. An early settlement of the outstanding questions regarding the area to be covered and the strength of the joint police force is unlikely as he understands that Dr. Shen-yi is shortly proceeding on six months' leave.

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The Vice-Chairman refers to the long leave which has recently been approved for the Secretary General and which he personally endorsed prior to knowing that the Chairman intended leaving Shanghai. He enquires whether it is advisable for both the Chairman and the Secretary General to be absent at the same time having regard to the position of the outside roads negotiations.

The Secretary General states that so far as he can foresee the position of the outside roads negotiations will not render the presence of the Chairman and himself necessary during the period involved. If on the other hand any unexpected development occurred he would be prepared to cancel the arrangements he has already made for leaving Shanghai towards the end of June and remain until the end of July. He desires if possible to leave Shanghai not later than the latter date which would mean that both the Chairman and himself would only be absent from Shanghai in August during which period the Council would be in recess.

After brief discussion members approve leave of absence for the Chairman the date of departure on long leave for the Secretary General being confirmed subject to any developments which may occur in the matter of the Outside Roads Negotiations.

Orchestral Concerts. - In connection with the programme of orchestral and brass band performances for the forthcoming Summer Season the Chairman observes that no provision is made for performances to be given at the Race Club.

Mr. Harris states that members of the Committee inspected the accommodation in the Public Stand the use of which was kindly offered by the Stewards. They reached the conclusion however that it was unsuitable.

The Chairman suggests that the Stewards might be willing to place accommodation in the members' stand and lawn available in which case arrangements might be made for open air performances to be given commencing from July. Enquiries as to this will be made of the Stewards.

The meeting terminates at 5.25 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, June 13, 1934 at 4.30 p.m.

there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 O. Okamoto
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General
 The Chairman, Ricscha Board, and
 The Secretary.

Absent:

Messrs. T. Funatsu
 Tsuyee Pei

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

F7/L. Outside Roads Negotiations. - The Chairman refers to the entirely misleading statements which have appeared in the press during the last few days to the effect that an agreement has been reached on this question. He regrets that at present the prospects of concluding the agreement are remote. As members are aware the Commissioner of Public Works and Dr. Shen-yi were instructed to prepare plans defining the area to be covered by the agreement on the basis of a definite line being drawn approximately parallel to the roads in question. The Commissioner of Public Works prepared and forwarded a plan to Dr. Shen-yi and after a long delay and just prior to his departure on six months' leave Dr. Shen-yi prepared a plan entirely ignoring the instructions given him. This plan merely indicated the existing foreign properties on the outside roads. It is quite impracticable to implement the draft agreement on this latter basis. As stated Dr. Shen-yi has proceeded on six months' leave and he doubts whether the Chinese Authorities can be persuaded to take further action during his absence. He will however confer with the British Consul General within the next few days and request him to approach the Mayor with a view to the negotiations being resumed.

Replying to the Vice-Chairman the Secretary General states that the revised draft modus vivendi has not yet been definitely agreed to by the Chinese Authorities, but that Mr. Yui has informed him that he saw

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no reason why it should not be accepted by them. He understands that Mr. Yui does not propose to submit the revised draft to Nanking until agreement is reached as to the area to be covered.

In respect to the inaccurate press statements referred to by the Chairman the Secretary is requested to insert in the Gazette a correct version of the existing position.

The Minutes of the meeting of the Staff Committee of May 29 are submitted and confirmed.

Volunteer Corps - Additional Staff. - On the proposal of Mr. Franklin, the question of the necessity or otherwise of the appointment of two subalterns for service with the Corps will be referred to the Watch Committee for its recommendation.

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

Age qualification for Motor Vehicle Driving Licence. - Mr. Okamoto alludes to the circumstances in which the driving licence was granted in the case referred to in the correspondence. He considers that the facts of that case constituted sufficient grounds for refusal of a licence unless the consent of the parents were first obtained. He therefore suggests that the Police Department should be instructed to exercise the utmost care in issuing driving licences to youthful applicants.

Members concur with Mr. Liddell as to the impracticability of requiring the consent of parents so far as Chinese applicants for licences are concerned.

The Secretary states that all applicants for such licences are required to pass a driving test.

At the Chairman's suggestion the Secretary will however ascertain from the Commissioner of Police the exact procedure followed in the matter of the issue of driving licences with a view possibly to the existing system being tightened up.

The Minutes of the meeting of the Orchestra & Band Committee of May 29 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of May 31 are submitted and confirmed.

The Minutes of the meeting of the Health Committee of June 5 are submitted and confirmed.

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

Appeal of ex Detective-Sergeant N.F.S. Watts. - A letter from this ex-employee is submitted in which he petitions that in the event of his appeal against dismissal not being upheld he may be permitted to resign in order that his efforts to secure other employment may not be prejudiced.

In view of the consideration which has been given to this appeal by the Watch Committee its recommendation is confirmed.

Ricsha Board Report. - In respect to the interim report of the Ricsha Board

6.15/1 dated May 25, two supplementary reports of May 31 and June 11, Police Departmental comment thereon and a memorandum by the Chairman the Secretary furnishes a summarized statement of the principal points requiring the Council's consideration. These are dealt with seriatim.

12/5 (1) Public and Private Ricsha Licences. - The Secretary states that the conditions of these two licences have been approved by the Council subject to their adoption by the French Municipal Authorities. He has written to the French Authorities but no reply has yet been received. Mr. Massey has also had an interview with M. Fauraz. In respect to the private ricsha licences which are interchangeable in both areas M. Fauraz drew attention to the fact that a large majority of these licences are taken out in the Settlement presumably for the reason that the ricschas are licensed according to the owner's office address and not that of his residence. In the interests of their revenue the French Authorities consider that residents of the French Concession should obtain their licences in the Concessor.

Mr. Massey states that this question does not fall within the province of the Board. In the course of discussion M. Fauraz suggested that the reason the number of private ricsha licences taken out in the Settlement is so preponderant may be due to the fact that the French Authorities impose a condition that the ricsha must be the property of the applicant whereas in the Settlement the vehicle can be rented for periods of not less than one month. It is not improbable that the French Authorities may in the interests of their revenue remind this licence condition.

(II) Authorized rental for ricschas. - The Secretary reports that the Board advocates a slight departure from the decision already reached by the Council. As from July 1 it is intended to charge ten dimes per day, instead of eight and a reduction to eight by January 1, 1935.

If this departure is agreed to Mr. Harris considers that a full explanation should be given to the public since the general impression is that as from July 1 the maximum rental to be authorized by the Council would be eight dimes. The Ricsha Committee visualized that ultimately this charge might be reduced to five dimes, the average charge obtaining in other cities. In his opinion if the existing charge is only reduced to ten dimes on July 1, and to eight dimes on January 1, 1935 it will appear that this latter charge is the Council's ultimate aim.

Mr. Massey states that the reasons for advocating this departure are fully set forth in the Board's report. The Board does not overlook the fact that the owners are being and will be put to considerable expense in the matter of the rehabilitation of existing vehicles and the provision of a new improved type of ricsha. The Board earnestly desires the owners' co-operation in the matter of the licensing of pullers and the proposed mutual aid association. The Board regards this as a unique

opportunity to effect reforms in the interests of the pullers, the success of which is to some extent dependent on the co-operation of the owners. Moreover there is nothing in the Board's report to indicate that ultimately the rental will not be reduced beyond eight dimes per day. Replying to Mr. Harris he states that the owners will not contribute from the rental of ten dimes per day towards the pullers' mutual aid association. This additional dime will be paid by the puller to the owner, the latter handing over to the Council \$1.50 per month which will be used solely in the interests of the puller.

Mr. Harris adheres to his view that the daily charge of ten dimes plus one dime to be paid by the puller will afford him only very slight relief and will not meet the expectations of the public.

The Chairman observes that the Council has no power to enforce a contribution by the owners to the mutual aid association, it has also realized that it may not be possible to ensue that the maximum rental laid down by the Council will be strictly observed. Presumably for this reason the Ricscha Board appreciates the advisability of instituting the desired reforms by gradual stages.

In order to secure the co-operation of the owners in the matter of the licensing of pullers Mr. Kiang supports the Board's revised recommendation that for the period specified the maximum daily rental be fixed at ten dimes. He recalls that the Ricscha Committee did not visualize that its recommendations would be given effect before January 1, 1935; in his opinion too large a reduction in the rental at this stage will only serve to intensify the opposition of the owners.

After further discussion the revised recommendation submitted by the Board is adopted by a majority.

(III) Procedure for the licensing of pullers. - In respect to the procedure already approved by the Council whereunder four pullers per ricscha would be licensed on the application of the owners the Secretary reports that the Board recommends an alternative procedure under which pullers would be licensed independently. In view however of the difficulties envisaged by the Police Department in giving effect to this scheme a compromise has been arrived at whereby the original scheme will be carried out to the extent of requiring three pullers per ricscha to be licensed on the application of the owners, making 30,000 pullers, while subsequently a further 10,000 will be licensed independently. The Board considers the independent licensing of this latter number will frustrate the efforts of owners to exert undue influence and pressure on the pullers.

Mr. Hsu states that he favours the Board's scheme for the independent licensing of all pullers in order to avoid the possibility of undue pressure being exerted by the owners on the pullers they recommend for licensing. As a further alternative he suggests that half only of the pullers should be licensed on the application of the owners the remaining

half to be licensed independently.

The Chairman expresses doubt whether such a proposal is practicable having regard to the absence of the necessary facilities stressed by the Police Department.

Mr. Kiang considers that if the pullers are licensed on the application of the owners the evils which the Council aims to eradicate will be perpetuated. From the information gathered by the Ricscha Committee it is not too much to assume that pullers licensed on the application of the owners will be required by them to enter into some secret contract which will give the owners the same pernicious hold over the puller as has existed in the past. The number of pullers is to be limited to 40,000. As the existing number is far in excess of that figure those pullers who apply through the owners for licensing will have no alternative but to submit to their demands. He cannot agree that the scheme for the independent licensing of all pullers is impossible, provided the necessary time is allowed and the machinery set up. In his opinion it is highly desirable that the independent licensing of pullers should be undertaken irrespective of the period involved and the organization required rather than that undue haste should be exercised and the pullers continue to be subjected to the exactions of the owner.

The Chairman states that the Police Department is most definite in its view that the scheme for the independent licensing of pullers is impracticable, whereas the compromise now suggested can be given effect to. Until pullers are licensed the reforms desired by the Council cannot be carried out. He therefore considers it essential that progress in the matter of the licensing of pullers should be expedited.

Mr. Massey desires that the Council should appreciate that it does not follow that all pullers nominated by the owners will necessarily obtain a licence. The issue of licences will be at the sole discretion of the Board. He submits however that the procedure will be simplified if the owners are permitted to nominate a certain number. It must not be overlooked that the owners will have to entrust the care of a more expensive type of vehicle to the pullers and in fairness he considers that they should be given some discretion in the selection of the puller.

On the ground that the owners will be required to train pullers in traffic rules etc., and that they will be more willing to do this if allowed some discretion in the selection of the puller Mr. Harris concurs in Mr. Massey's view. He suggests however that the owners should be given clearly to understand that in the case of any defection on their part coming to light the Board will have no hesitation in cancelling their licences.

Mr. Massey states that a further argument in favour of allowing the owners to select a certain number of pullers is that this course will ensure that a considerable number of those licensed are regular pullers. If the whole 40,000 were licensed independently the Board would not be in a

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position to ensure this.

Mr. Kiang states that he is unable to reverse his opinion that the proposed licensing of pullers on the application of the owners will result in perpetuating the existing relationship between the owners and the pullers which it is the Council's aim to break down.

After further discussion the compromise in the procedure for the licensing of pullers advocated by the Board and agreed to by the Police Department in respect of the issue of the original 40,000 licences is adopted by a majority.

(IV) Tariff of Charges. - The clarification of the tariff of charges proposed by the Police Department is adopted, it being noted that the fares are based on small (silver) money.

(V) Pullers Mutual Aid Association. - In respect to the Board's recommendation as to the institution of this Association Mr. Massey states that he regards this as a unique opportunity for the Council to sponsor this movement on behalf of a section of workers who themselves are unable to organize. This scheme will relieve the owners ^{of} forming such an organization themselves and the Board will bring pressure to bear on the owners to co-operate with the Council in this matter at the time they apply for licences.

Mr. Harris expresses doubt as to whether the pullers will desire to pay the additional dime per day as their contribution to this fund, and he suggests that the owners should be required to bear a part of this contribution.

Mr. Massey states that the Board particularly desires that the owners should have no part in the distribution and administration of this fund, hence its proposal that the fund should be entirely subscribed by the puller.

After further discussion the Board's proposals for the institution and organization of this Association are adopted.

Council Meeting. - Upon the Chairman stating that he is leaving Shanghai on June 26 members agree to the date of the next Council meeting being changed from June 27 to Monday, June 25.

The meeting terminates at 6.35 p.m.



Chairman.


Secretary.

At the meeting of the Council held on Monday, June 25, 1934, at 4.30 p.m.,

there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 T. Funatsu
 E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 O. Okamoto
 Tauyee Pei
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu

Absent:

Mr. L. T. Yuan

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

7/6 Outside Roads Negotiations. - The Chairman informs members that there have been no further developments in the matter of these negotiations. Efforts are being continued to secure a resumption of the discussions with the Chinese Authorities.

The Minutes of the meeting of the Education Board of June 20 are submitted and, subject to the following exception, are confirmed.

7/13/1 Education Policy - Chinese Schools - Building Programme and Grant-in-aid scheme. - In respect to the recommendations for the provision of three new schools in 1935 members concur with the Chairman that it would be premature for the Council to commit itself to this expenditure in the absence of information as to the financial situation for next year.

The Treasurer & Controller states that whilst it may serve a useful purpose for the Council to know the requirements desired by the Board it is quite impracticable at this time to endorse its proposals which must of necessity be examined in conjunction with other departmental requirements towards the end of the year.

Mr. Harris states that the Board is unanimously of the view that as a halt has been called to expenditure on educational capital projects during the present year, its building programme should be resumed in 1935. He suggests that decision as to adoption or otherwise of these three recommendations be deferred until the next meeting and

that in the meantime a copy of the memorandum by the Chinese members together with departmental comment thereon be furnished to members.

The Treasurer states that in the ordinary course consideration of departmental projects involving capital expenditure is deferred, since they can only be dealt with when the budget as a whole is under consideration.

The Chairman proposes that the Council should take cognizance of the requirements of the Board, but defer consideration as to their adoption until other departmental requirements are examined.

Upon Mr. Harris stating that these recommendations will only involve capital expenditure during 1935 and thus not affect the ordinary budget the Treasurer points out that the financing of capital projects is dependant upon the Council's ability to secure increased revenue to meet loan service charges and maintenance costs involved.

After further brief discussion Mr. Harris' proposal is adopted that the relative memorandum and departmental comment be furnished to members. The Chairman's view, however, is endorsed that further consideration of the Board's recommendations is impracticable until the budgetary position for 1935 is examined.

Public and Private Rioshas - Pullers' Licence. - Drafts of licence conditions J.25/6 for the puller's licence in respect of both public and private rioshas agreed between the Riosha Board and Municipal Departments are submitted. The Secretary states that if approved the proposed conditions will be transmitted to the French Municipal Authorities for their concurrence.

After general discussion the draft licence conditions are formally adopted.

Extension of service of Mr. C. Harpur, Commissioner of Public Works. - The H.25/8 Chairman informs members that Mr. Harpur reaches the age of 55 on December 4 next upon which date he becomes subject to compulsory retirement under the General Terms and Conditions of Service. He discussed this matter with the late Chairman, Mr. Bell, and gathered that Mr. Harpur, if requested would be willing to extend his period of service, at the same time he did not desire to prejudice the prospects of promotion of his immediate subordinates. He therefore proposes in the interests of the service that the Secretary General be authorized to approach Mr. Harpur to ascertain whether he would be prepared to serve for a further period of two or three years.

Members unanimously adopt this proposal and it is

RESOLVED that Mr. C. Harpur be requested to continue to serve as Commissioner of Public Works for a further period of two or three years as from December next.

Shanghai District Court. - The Secretary General reports that within the past F.27 few months friction has arisen between the Council and the First District Court, a most important principle being involved which strikes at the foundations of the Police administration of the Settlement. The cause of

the existing friction can be traced back to the negotiation of the present Court agreement. Members of former Councils will recall that when this agreement was negotiated by the representatives of the foreign powers they were reluctant to confer with the Council on the practical issues involved with the result that the Council was consulted only on four points and kept in ignorance of the major features of the negotiations. The representatives protested strongly against the system of Chinese procurators and did their utmost to induce the Chinese not to introduce this system. As a result of this protest a compromise was arrived at whereunder the procurators were given power to institute prosecutions in certain cases. It was understood by the foreign representatives and the Council at the time that such prosecutions would be restricted to cases having a political aspect but later it transpired that sections of the Chinese Criminal Code defining the province of the procurator went beyond such cases. Under one of the provisions of the Code a procurator can bring a criminal prosecution against any person giving false testimony in a Chinese Court the penalty upon conviction being from one to seven years' imprisonment. Some time ago two persons, a mother and son, were arrested by the Municipal police on a charge of armed robbery, the mother being acquitted and the son convicted. A charge was then brought against a municipal police officer for giving false testimony. This case was appealed but the police officer was fined \$400. The high Court held that the municipal police were not public officials a contention which if accepted would exclude such police officials from the recognized protection they are entitled to by virtue of their office. The Municipal police are protected up to a point by the provision of the Land Regulations. In the case above referred to after very careful investigation by himself the Police Department and the Municipal Advocate, the application for the handing over of the police officer concerned was refused, since the investigations established conclusively that this charge was framed. If the Chinese procurator is empowered to file a criminal suit at will against Municipal Chinese police officers on a charge of giving false testimony such officers will become terrorized and the whole structure of the police administration undermined. As a result of a most careful investigation of this case in conjunction with the Commissioner of Police and the Municipal Advocate he is satisfied that this police officer on whose behalf no witnesses were allowed to be called did not receive a fair trial. In respect to a recent private prosecution, under the provisions of the existing agreement any irresponsible or vindictive person can bring a criminal charge against the Municipal police for any action they take in the ordinary course of their duty. In such cases the Court issues a warrant and under the terms of the Agreement such person should be handed over to the Court. In no reputable judicial system in the World can a person be criminally charged without a responsible authority determining whether a prima facie case has been made out. Prior to the case above referred to the French Consul General called on him in

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respect to similar demands by the Second District Court and informed him he would not allow any police officer to be handed over without his consent. He has referred this question to the Consular Body in order to obtain its preliminary views. The Consular Body is unanimously of opinion that the existing system is objectionable and it is prepared to support the Council in any action it deems necessary in the interests of self preservation. The action of the police in refusing to serve a warrant is a technical breach of the provisions of the present agreement but in respect to the cases quoted he has taken the responsibility of instructing the police department not to do so. In the meantime he has opened negotiations with officials of the Court with a view to their agreeing to some arrangement whereunder a preliminary investigation would be conducted into any charges preferred against a municipal police officer prior to his being criminally charged. The Court officials were not prepared to agree to this proposal and have put forward counter suggestions. These have been referred to the Municipal Advocate's Department with a view to obtaining their advice and to finding some practical way of dealing with such cases in order that technical breaches of the agreement may be obviated and at the same time affording protection to municipal police officers. He hopes that a satisfactory solution of this very important question may be reached. At the present time our Chinese police officers fear that by carrying out the orders of their superiors they lay themselves open to serious criminal prosecutions by vindictive persons irrespective of the merits of the case. He refers to a case recently reported in the press in which torture was alleged. This case has been the subject of a communication from the Chinese Ratepayers Association. In consultation with the Secretary he has requested the person alleging torture to call and furnish the reasonable evidence either by himself or by his lawyers or friends. If the necessary proof is forthcoming the Police Department is itself prepared to deal with this case by means of a criminal prosecution. He has explained that the Council has no desire to protect its police if any charge against them is supported by reasonable evidence. Whilst dealing with this particular case a further allegation of torture was made. In this latter case a man had been arrested and detained by the Police. Subsequently the charge was withdrawn and the man released. A few days afterwards a letter was received by the complainant from a Chinese lawyer alleging the man had been tortured during his period of detention. It is noteworthy in this case that both the man himself and his friends had previously stated to the police that he had been well treated whilst in custody. There is reason to believe that a number of Chinese lawyers resort to this method to secure a means of livelihood. A most careful investigation of this case leaves no doubt in his mind that the allegation of torture is entirely unfounded. He urges that the Council should take a firm stand in the matter of its police officers being prosecuted both by a Court official or by private persons. The relations between the Council and the Court have up to the present been friendly although the relations between the

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President and the Council's officials ^{are} not so amicable as during the period his predecessor held office. He reiterates his hope however that a satisfactory solution of this important question can be reached.

Replying to a member Mr. Fessenden states that every possible precaution is taken to prevent torture being inflicted. He is assured by the Commissioner of Police that no Chinese prisoner can be taken out of the cells or places of detention unless in the presence of a responsible foreign officer.

Mr. Hsu expresses the hope that a satisfactory arrangement can be reached in order that the Council may be released from the embarrassing position of committing a technical breach of the agreement and the morale of the Police force maintained.

In respect to the last quoted case above referred to the Secretary General states that this was prominently featured by both the foreign and the Chinese press, presumably on account of the allegation of torture. The press articles gave the impression that the Council had something to conceal whereas the Police Department would be only too glad to receive reliable information in support of such allegations. The Chinese legal system differs from that of Western countries in so far as under the former any allegation of torture is accepted without any attempt being made to secure substantiation before issuing a warrant for arrest.

Mr. Kiang states that in the Chinese Court a criminal charge brought against any person is heard in the presence of the accused. After evidence has been produced the accused is asked whether he pleads guilty or not guilty whereupon he is required to answer the charges of the witnesses.

In this connection the Secretary General states that the Council has complained that the existing mandatory procedure is not followed by the Courts. If the accused desires his counsel to cross-examine the witnesses for the prosecution he is entitled to this privilege; he also has the right to be confronted by such witnesses. In such cases however these rights have been denied by the Court with the result that a lack of confidence in the Court is becoming apparent.

After hearing the Secretary General members unanimously support the action taken by him particularly so as it is considered that unless a determined effort is made to protect the Chinese members of the Force there is no assurance that Chinese employees of the other Departments may not be victimized thereby paralyzing the general administration of the Settlement.

The meeting terminates at 5.30 p.m.

J. R. Jones
Secretary.

W. Macraughan
Chairman.

At the meeting of the Council held on Wednesday, July 11, 1934, at 4.30 p.m.,

there are:-

Present:

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

Messrs. J. W. Carney

C. S. Franklin

T. Funatsu

E. F. Harris

S. L. Hsu

E. Y. B. Kiang

W. P. Lambe

J. H. Liddell

O. Okamoto

Tsuyee Pei

Yu Ya Ching

The Commissioner of Police

The Acting Treasurer & Controller

The Chairman, Ricsha Board

The Secretary General

The Deputy Secretary, and

Dr. J. C. H. Wu.

Absent:

Messrs. H. E. Arnhold

L. T. Yuan

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

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

#11/v. Commandant's House. - Replying to the Chairman, the Acting Treasurer & Controller states that the recommended rental allowance of \$350 per mensem to the Commandant is intended to cover the cost of water, fuel and light. In the circumstances, any lease entered into will not be signed by the Council, as is customary, but will be left for arrangement by the Commandant.

#16/v. Commandant's short leave. - Members concur in the view recorded by the Committee that the reasons advanced by the Commandant for an extension of short leave do not justify favourable consideration of his application.

The Minutes of the meeting of the Orchestra & Band Committee of June 29 are submitted and confirmed.

E.2/g. Use of Race Club premises for Orchestral Performances. - Mr. Harris states that subsequent to this recommendation being approved by the Council an intimation has been received that the Race Club Stewards are unwilling to permit the use of the portion of the race track bordering the lawn, the use of which the Committee regards as essential for promenade purposes if these concerts are to be successful. In the circumstances, he is of opinion that the holding of these performances may not be worth while. His

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proposal is adopted that the Council's authorization of the necessary expenditure should stand, subject to further reference to the Committee of the advisability or otherwise of holding these performances.

Hongkew Incident. - For members' information the Commissioner of Police states that the disciplinary board which has been set up to enquire into these recent incidents will sit tomorrow and he anticipates that its findings will be reached within two or three days whereafter he will report further to the Council.

The Commissioner of Police withdraws.

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

The Minutes of the meeting of the Education Board of July 4 are submitted and confirmed.

School Fees. - The Acting Treasurer & Controller alludes to the Council's desire that as from January 1, 1936, the fees at the Secondary School for Chinese girls should be at the uniform rate of \$43 per term; the Board however, renews its recommendation that the fees for pupils transferring from the old premises should be \$42 per term. Mr. Harris states that the Board gave further consideration to this question and in deference to the views of its Chinese members adhered to its original recommendation. A relatively small number of pupils only will benefit by this lower fee and it may be anticipated that within two or three years at most all pupils will be paying the higher fee.

After brief discussion, members endorse the Acting Treasurer's suggestion that this question be referred back to the Education Board for reconsideration during 1935 in order that a uniform scale of fees may be enforced as from January 1, 1936.

Ricshas. - Copies of the Ricsha Board's report for the month of June have been furnished to members.

In view of the opposition which it is apparent will be forthcoming from owners in respect to the decision that licences will only be issued to true owners, Mr. Massey proposes that the Police should arrange a meeting of the leading members of the Owners' Association and warn them in the presence of members of the Board of their responsibility for any disorders which may arise as a result of their opposition to the Council's announced policy. He has prepared the following draft announcement which he suggests should be published forthwith.

"As only 243 Certificates have been applied for whereas according to the schedule laid down 700 should have been issued by now it is evident that there will not be the same number of public licences (conforming to the Council's ruling that Ownership Certificates must accompany applications) applied for in August as were issued in July. The Council will obviously therefore have a number of licences which it can either leave unissued, thus permanently reducing the number of ricshas licensed or it can issue them to

new owners who are prepared to conform to the Council's rulings in all respects or it can act partly in one way and partly in the other.

Whichever method is adopted it is readily conceivable that a certain amount of dislocation of the industry may take place thus leading to inadequate provision of ricscha transport. The Council has knowledge of resolutions passed by the Ricscha Owners' Association which will tend in certain eventualities to an attempted tie up of the industry thus creating unemployment and considerable distress amongst ricscha pullers. The Council therefore takes this opportunity to seriously warn the members of the Ricscha Owners' Association that the Council is determined to put down any form of lawlessness and intimidation and to protect those who wish to quietly and legitimately pursue their normal activities.

In order to further prepare to fill partly or wholly the gaps created by the total number of licences not being normally applied for, the Ricscha Board is prepared to receive applications from new owners or from present owners who are conforming to the Council's ruling and who wish to enlarge their interest, between July 25th and 29th. Such applications must be made in writing and forwarded by post or chit coolie to Room 515, S.H.C. Administration Building. The applicant must give his name, or names if it is a partnership, his address and the name of a guarantor for his bona-fides. He must also state how many ricschas he is prepared to operate. It is to be understood that he must conform to the revised public ricscha licence conditions and that he will co-operate in the working of the Pullers' Mutual Aid Association."

There is no doubt in his mind that the Owners' Association is prepared strenuously to oppose the Council on this issue and whilst the Council could defer action until the owners have made the first move he considers it advisable that it should publish in advance the suggested announcement. Such a course would tend to influence those owners who at present have not expressed hostility but who are being swayed by the more recalcitrant elements. In the event of a number of the licences being issued to new owners additional time will be required for the routine work involved and he considers it desirable that the Council should announce its willingness to consider applications from new owners as soon as possible. The draft announcement if published will allow the Board a certain amount of latitude to deal with developments in the situation as they arise.

After discussion, members adopt Mr. Massey's proposals as to a meeting of owners being addressed by senior police officials and as to publication of a statement subject to careful study of the latter by the Chairman and the Secretary General, the final draft to be circulated to members prior to publication.

Mr. Massey then reads a letter he has received from his fellow members of the Board, dealing with the risk of personal injury they may incur as a result of their office and requesting that police protection may be afforded themselves and their families and enquiring in the event of their death or disablement as a result of their association with the Board what support would be

afforded by the Council to themselves and/or their families.

Members unanimously agree that the personal risks run by the two Chinese members of the Board justify their requests. The Secretary General is accordingly authorized to arrange with the Police Department for the necessary protection to be afforded the two Chinese members and their families. In respect to the payment of compensation in the event of death or disablement, members concur with Mr. Massey that this request should be the subject of careful consideration. In the meantime, Mr. Massey is authorized to assure the two Chinese members of the Board that in the event of the contingency referred to they would receive fair treatment from the Council.

/ In respect to the publication of the new licence conditions for public and private ricscha pullers of both types of vehicles, Mr. Massey states that the new licence conditions for public ricschas come into effect on August 1, next. Although these have not yet been officially approved by the French Council, as a result of his conference with M. Fauraz, he has no reason to believe that his Council will advance any objections.

After brief discussion publication of the revised licence conditions for public ricschas and for public ricscha pullers is authorized.

In respect to the revised licence conditions for private ricschas this question is somewhat more involved as at present the licences are interchangeable in both areas. The French Authorities have however suggested that separate licences be issued for each area. This is a matter for discussion between representatives of both Councils and does not present urgency. The licensing of pullers of private ricschas is however urgent and facilities for this measure are now available. No action however can be taken until authority is accorded for publication of the pullers' licence conditions. The licensing of private ricscha pullers affects the French Authorities to a certain extent as a certain number of licences for private ricschas issued in the French Concession are honoured in the Settlement. Whether or not the existing system of reciprocal licensing of private ricschas is continued or whether separate licences are issued the Council has decided on the licensing of pullers. He does not however consider it advisable possibly to antagonize the French Authorities by premature publication of the private ricscha pullers licence conditions particularly so as their co-operation may be essential in the matter of the possible issue of those public ricscha licences to new owners at present held by the owners unwilling to comply with the Council's requirements. His suggestion is adopted that to avoid delay the printing of the private ricscha pullers' licences be proceeded with, as if ultimately it is agreed that private ricschas should take out licences in both areas those operating only in the French Concession would not be required to obtain a puller's licence in the Settlement. He sees no reason why an agreement with the French Authorities on the question of the licensing of private ricschas and private ricscha pullers should not be reached within the next few weeks, after the proposal put forward by the French Authorities has been carefully examined by the Police and Finance Departments.

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After discussion, and in agreeing that the maintenance of close co-operation with the French Municipal Authorities is essential, members adopt the proposal that publication of the revised private ricscha licence conditions be withheld, authority however being given for printing and other detailed work to proceed.

In respect to the proposal of the Deputy Treasurer-Revenue, that in view of the possible active opposition to the new licensing procedure it might be advisable to issue, for a temporary period at least, these licences from some centre other than the Administration Building, the Central Police Station or the Drill Hall being suggested as a suitable venue, the Chairman undertakes to confer with Mr. Massey on this point with a view to a more suitable arrangement being reached.

Municipal Staff and Venereal Disease. - The Chairman states that in the course of an inspection of the Fire Stations last week he learned that three members of the foreign staff were incapacitated from duty on account of their suffering from venereal disease. Certain penalties are imposed on members of the Police Force if they are absent from duty on account of venereal disease but in respect to employees of other departments no such penalties are imposed. In the case of the Fire Brigade it would appear that if three of its employees are unable to discharge their duties on account of having contracted this disease the Brigade is over-staffed or alternatively its efficiency is gravely impaired. In his opinion the employees of any department absent from duty for this reason should forfeit their pay and also defray their own hospital expenses.

The Chairman's proposal is adopted that this question be referred to the Staff Committee for its consideration and recommendation.

Purchase of Rice. - The Chairman alludes to the prevailing local drought which is seriously affecting the crops and the possibility of a considerable increase in the price of rice within the next few months. He suggests that in the interests of the poorer section of the community the Council might consider the purchase of a consignment of inferior rice from Saigon or elsewhere up to an amount of say \$2/300,000 in order to stabilize prices as from about September next.

A precedent exists for such a course and while he does not desire a decision at this meeting he asks members - particularly the Chinese Councillors - to give this suggestion their consideration in order that a decision may be reached at the next meeting at which time detailed information of a similar previous transaction will be available.

Asylum for the Insane. - In respect to the recommendation by the Treasurer & Controller that a grant of \$50,000 be authorized towards the cost of building an asylum near Minghong which has been circulated, as this proposal has not yet been read by all members, decision thereon is deferred to the next meeting.

The meeting terminates at 5.50 p.m.

J. R. Jones
Deputy Secretary.

W. H. Massey
Chairman.

At the meeting of the Council held on Wednesday, July 23, 1954, at 4.30 P.M.,

there are:-

Present:

Brig.-Gen. E. B. Macnaghten ^(Acting) (Chairman)
 Messrs. J. W. Carney
 G. S. Franklin
 T. Funatsu
 E. F. Harris
 S. H. Hsu
 E. Y. B. Kiang
 W. P. Lambé
 J. H. Liddell
 O. Okamoto
 L. T. Yuan
 Yu Ya Ching

The Commissioner of Public Works
 The Commissioner of Police
 The Commissioner of Public Health
 The Acting Treasurer & Controller
 The Chairman, Ricsha Board
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. H. E. Arnhold
 Tsuyce Pei.

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

Ku's Hongkew Incident. - Members are informed that a copy of the findings of the Police Disciplinary Board is now available and can be seen upon application to the Secretary.

The Minutes of the meetings of the Staff Committee of July 9 and 23 are submitted and confirmed.

The Minutes of the meeting of the Traffic Committee of July 10 are submitted and subject to the following exception are confirmed.

12/1 Age qualification for motor vehicle driving licence. - Members concur with Mr. Harris that the proposed penalty should be inflicted in respect to any proved false declaration made by the holder of a driving licence.

12/16 Small-size Car Hire Service. - It is noted that since its meeting the Committee for the reasons outlined has expressed the desire to supersede its original recommendation by the following:-

"RECOMMENDED that a reply be sent to the Shanghai Hire Car Operators Association to the effect that pending consideration of the whole question of hire cars in the Settlement the Council is not prepared to permit the operation of small sized hire cars in the

Settlement and intimating to the Association that it is inadvisable to proceed at the present time with any scheme for the inauguration of such a service.

The above recommendation is adopted.

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

1575 Parks and Open Spaces. - Upon Mr. Harris suggesting the desirability of reconsideration of the Committee's recommendation that the area adjoining Jessfield Park be not purchased the Commissioner of Public Works states that the Shanghai City Government proposes to construct a number of roads which will result in this area being severed. In the circumstances members agree as to the inadvisability of purchasing this area.

In a report submitted the Commissioner of Public Works refers to the Council's refusal in 1933 to purchase the Majestic site and to his endeavours to find other available areas in the vicinity. He found that Wong Ka Shaw Gardens could be purchased at approximately Tls.57,000 per mow but he considered this price too high for him to bring the matter to the notice of the owner. He is now informed that this property having an area of approximately 38 mow can be purchased (for the purpose of a park only) at Tls.42,000 per mow on a total sum of Tls.1,623,132. There is a mortgage on this property and the mortgagors are anxious to foreclose but if the Council expresses interest in its purchase are prepared to dispose of it on the terms mentioned.

After brief discussion members agree as to the desirability without committing the Council at this stage of the question of the purchase of this area receiving further consideration.

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

1574 Night Schools. - The Chairman observes that adoption of the Committee's recommendation to establish one night school this year will commit the Council to increasing expenditure in future years and may result in prejudicing the education budget for 1935. He agrees with the Treasurer & Controller that the appropriate time for consideration of this project is when the 1935 estimates are examined.

Mr. Liddell is of opinion that if the Education Board regards this type of education as more important than that hitherto provided then its recommendation merits careful consideration.

Mr. Lambé cannot regard this departure from the educational policy as an experiment since it may be assumed that the school proposed to be established will be most popular and increasing demands will be made for an extension of this type of educational facilities.

The Acting Treasurer & Controller reiterates that the introduction of one night school this year will definitely influence next year's budget and difficulty may be experienced in keeping expenditure within the relatively low

estimate submitted. He suggests that such classes could more appropriately be organized by semi-public enterprise, the Council to assist by placing its school buildings at the disposal of such organizations.

Mr. Yuan states that the Board regards this type of education as highly important and on a per capita basis it will cost the Council far less than the amount expended on its day schools.

Mr. Harris states that in any case he does not visualize that this form of education would be extended to any great length since the number of municipal schools in which such classes would be conducted is limited.

After further discussion the Board's recommendation is adopted by a majority.

The Minutes of the meeting of the Public Utilities Committee of July 19 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee of July 20 are submitted and confirmed.

The Minutes of the meeting of the Orchestra & Band Committee of July 23 are submitted and confirmed.

317 Purchase of Rice. - Relative to the brief discussion at the last meeting a memorandum on this question by the Secretariat is submitted. In agreeing with the views therein expressed that with the recent rains the situation has materially changed thereby improving the prospects of a fair harvest in the autumn members concur that the purchase of a quantity of rice by the Council becomes unnecessary.

3230 Asylum for the Insane. - Relative to the Council's approval in principle to financial support being afforded the building scheme for an asylum for the insane near Minghong the Treasurer & Controller now recommends a capital grant for 1934 of \$50,000 consideration to be given at a later date to a further measure of financial capital support, not exceeding \$50,000.

Replying to the Chairman the Commissioner of Public Health states that he considers it advisable in consideration of the Council's contribution for it to require a lien on a number of beds for the accommodation of cases from the Settlement. He does not anticipate that any difficulty will be put in the way of his inspecting the building.

After discussion it is

RESOLVED that subject to a lien on a number of beds for the accommodation of Settlement cases, the right of inspection by the Commissioner of Public Health, evidence being produced that building operations are progressing satisfactorily and to an assurance that the stated contributions are obtained from the two neighbouring municipalities, a building grant of \$50,000 for 1934 be authorized, consideration to be given at a later date to a further contribution not exceeding \$50,000.

H116 Office Hours. - The Chairman states that since the proposal that during the excessive heat the Council's official office hours should be changed to 8 a.m. to 1 p.m. was circulated he has consulted with the British Chamber of Commerce on this question. With the exception of two members of the Chamber no exception was taken to this proposal. American and Japanese firms likewise have recorded no objection. He therefore proposes as a tentative measure and for the period of the recess that the official working hours be changed from 8 a.m. to 1 p.m. subject to the maintenance of essential services.

Mr. Lambe reads a memorandum he has prepared on this subject outlining his objections to adoption of this proposal. He states however that these objections do not carry the same weight if the proposal is put forward as a tentative measure for the period of the recess only. Once the proposed change is instituted at the commencement of the hot season the original hours cannot be reverted to upon a change in the weather without dislocation and disruption of the service. He is not satisfied that Heads of Departments had sufficient time to study the implications of this change. If only a number of employees are permitted this privilege, those unable to take advantage of the reduced hours will have reasonable cause for dissatisfaction. He suggests as an alternative that Heads of Departments be permitted in their discretion to release as many employees as possible during the afternoon upon the issue of an order authorizing such action.

The Commissioner of Public Works states that it would be quite impossible to adopt the changed hours in the case of a very large number of his employees. Certain of the outdoor employees have for many years worked from 6 a.m. to 12 noon but it is essential so far as his office staff is concerned to continue the usual hours of 8.30 a.m. to 4.30 p.m.

The Commissioner of Public Health states that he is afraid that dislocation would result in nearly all the branches of his department if the new change of hours were enforced. The Acting Treasurer & Controller also refers to the dislocation in revenue collection.

Mr. Liddell states that it is impossible for his firm and a number of others to observe the proposed changed hours and he considers their adoption by the Council will lead to discontent amongst employees of other organizations.

Mr. Harris considers that the Council should take the lead in this matter, and in his opinion if the Banks would agree the majority of other business houses would follow suit.

After discussion a majority of members are not in favour of any official announcement being made regarding a change in the existing office hours. It is however

RESOLVED that during the period of the recess Heads of Departments in their discretion be authorized to release as many employees as possible during the afternoon provided a sufficient number remains on

duty for the maintenance of essential services.

The Commissioners of Public Works and Health withdraws.

K 25/1 Ricsha Situation. - A report by the Chairman of the Ricsha Board and a petition from the Ricsha Owners' Association with comment thereon by the Board are submitted.

In amplification of his written reports Mr. Massey states that upon an assurance being given that the Association would co-operate with the Board the time for application for ownership certificates was extended from July 21 to July 30. It has since become apparent however that the assurance of co-operation was worthless as since the extension was made known three working days have elapsed and there have only been ten more applicants instead of the 300 which was scheduled for when the interview with the representative of the Owners Association took place. The Association suggested that the Council should accept from it applications for ownership certificates in bulk. As adoption of such a course would defeat the Council's object it could not be entertained.

In respect to the licensing of pullers developments are suspended pending word from the French Authorities. He is informed however that this matter will be discussed by the French Authorities tomorrow and he entertains a reasonable hope that they will agree to the licensing of private ricsha pullers being proceeded with by the Council leaving the question of the licensing of private ricshas for later consideration.

With regard to the standard type of new vehicle it is hoped within the next five days definitely to announce the specifications of the new type. The Association has attempted to make unfair capital out of this requirement by alleging that all existing vehicles must be scrapped and replaced by those of the new type.

In respect to the hire charge for pullers, in the event of licences being issued to new owners it is possible they will not be able to obtain licences for the French and Chinese areas. The system which the Council is attempting to break down has been equally as pronounced in these areas as in the Settlement. In those areas applications for licences are applied for in bulk and distributed to licensees. Thus it will be difficult for the new owners if they are unable to obtain licences for the vehicles for which they secure Settlement licences. He mentioned this question yesterday to a representative of the French Council and suggested it would be of assistance if the French Authorities could see their way to issue say 2,000 licences for vehicles licenced in the Settlement until the impending crisis has passed. Unless such an arrangement is reached it will mean that new licensees will only be able to operate in the Settlement with resulting inconvenience to and dislocation of the service. Such a situation may also lead to attempts on the parts of the owners of licences to squeeze these hirers of vehicles which have licences for the three areas.

This situation can however be dealt with by the means suggested in his memorandum. When the daily hire charge of 100 cents was decided upon it was assumed that vehicles would have licences for the three areas, consideration will however be given to a reduction of this amount by 10 or 20 cents for those rickshaws having only Settlement licences.

With regard to the Pullers Mutual Aid Association, as announced in the Press a Board of Management has been set up. Members are aware of the opposition which has been encountered from the Owners Association towards the requirement that \$1.50 per month should be paid into this fund in return for permission to charge pullers 10 cents per day over the Council's authorized charge.

The Chairman states that he has recently given considerable study to this scheme as a result of which he favours its postponement until certain other major issues are settled.

The Secretary states that although this payment is not made the subject of a licence condition the Council has announced that owners who are prepared to comply with this condition will be given preference in the matter of the issue of licences. The Council has virtually made the acceptance of the scheme compulsory upon all future licensees, and there is very strong opposition on the part of the owners to the inevitable association of the scheme with the new licence conditions which have to be accepted almost immediately. There arises the question whether insistence immediately upon the scheme may not prejudice the reforms to the service and provide a weapon for the owners to attack the policy of the Council as a whole.

Mr. Massey states that the Board is in possession of definite evidence that the large majority of pullers welcome this scheme. The owners are not themselves required to pay this amount but merely to collect and transmit it for the benefit of the pullers.

Upon Mr. Carney suggesting that some of the owners may impose the additional charge of 10 cents a day whether they contribute to the Pullers Aid Association or not Mr. Massey states that such cases if discovered will be dealt with by cancellation of the licences held. Unless the scheme for the Pullers Mutual Aid Association is proceeded with, the pullers will experience difficulty in paying the \$1 licensing charge. He is convinced that if the Council stands firm the majority of owners will co-operate; if existing owners are not prepared to do so a very large number of applications have been received for licences from persons willing to conform to the Council's requirements. Whilst as before stated a certain amount of disruption will ensue by cancellation of existing licences there will in his opinion be no difficulty in enforcing the entire scheme if no weakness is shown. He is equally firm in the opinion that unless the scheme is proceeded with in its entirety it might well be wholly abandoned.

Mr. Franklin is of opinion that the postponement of the pullers aid scheme which has already been announced will be interpreted as a sign of

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weakness. In concurring in this view Mr. Harris suggests that such a course will merely encourage the owners to oppose other contemplated reforms and will alienate the sympathy of the public which has indicated its support of the Council's proposals.

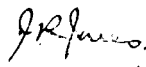
In view of the doubt expressed as to the legality of the Council's requirement regarding the contribution to the Pullers Aid Association Mr. Carney supports the Chairman's proposal that this scheme be deferred.

Mr. Yuan states that it has been announced in the Chinese Press that the French and Chinese Authorities may also require the collection of a contribution for the Pullers Mutual Aid Fund in which case the pullers would be required to pay an additional 30 cents per day. Mr. Massey states that he has dealt with this suggestion in his memorandum, a suggestion which may be regarded as too imaginary to need further comment. He submits that the owners' opposition to this Fund is the more pronounced on account of the proposal having been put forward by the Board, the success of which will reflect credit on the Board, by comparison with the meagre proposals formerly submitted by the owners. He further submits that the reference in the Chairman's speech at the last annual meeting commits the Council to improve the lot of the pullers and this in his opinion can only be fully achieved by the scheme contemplated.

After further discussion a majority of members agree that the Council's position would be weakened were a departure from its announced policy to be made. The plans made by the Ricscha Board for the licensing of public ricschas as from August 1 are accordingly approved.

The meeting terminates at 6.45 p.m.


Chairman.


Secretary.

At the special meeting of Council held on Tuesday, August 7, 1934, at

11.45 a.m., there are:-

Present:

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

Messrs. J.W. Carney

T. Funatsu

W.P. Lambe

O. Okamoto

L.T. Yuan

The Chairman of the Ricsha Board

The Extra Commissioner of Police, and

The Secretary.

Absent:

Messrs. H.E. Arnhold

C.S. Franklin

E.F. Harris

S.L. Hsu

E.Y.B. Kiang

J.H. Liddell

Tsuyee Pai

Yu Ya Ching.

Ricsha Situation. - The Acting Chairman states that the meeting has been

called to consider a tentative arrangement made with the owners of public
 ricshas at a meeting held on August 6, attended by the Secretary, Mr. Yu
 Ya Ching, Mr. P.W. Massey and the Extra Commissioner of Police on behalf
 of the Council; Messrs. E. Bell, G.L. Maxis, Chen Chian-san, How Shou-an,
 Koo Sung-mow and Dr. Yin Chi-ling on behalf of the owners, and Mr. Chen
 Hsi-chin, Chairman of the Kiang Pei Guild, in an independent advisory
 capacity.

At the Acting Chairman's request the Secretary describes the outcome
 of the meeting, as already set forth in a rough memorandum which has been
 distributed to members. The main points are as follows:-

(1) In place of the daily rental for each ricsha of 100 cents small
 money, plus 10 cents where the ricsha owners agree to contribute to
 the Pullers' Mutual Aid Association \$1.50 per ricsha per mensem in advance,
 it is recommended that the charges from August 15, 1934, be 78 cents big
 money and 7 cents big money a day, respectively, thus avoiding the effect
 of fluctuation in the value of small money.

(2) The Board of Trustees, the legal custodians of the Pullers'
 Mutual Aid Association funds, are provisionally the three members of the
 Ricsha Board. The Board of Management, whose function it is to advise
 the Trustees and arrange for the disbursement of funds, provisionally
 consists of the three Trustees and seven other members. It is recommended

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that their number be increased by two members nominated by the registered owners and two members nominated by the pullers. Mr. Chen Hsi-chin, Chairman of the Kiang Pei Guild, has consented to act as one of the pullers' representatives.

It is recommended that the composition of the Board of Trustees and the Board of Management be subject to revision after eight months.

(3) It was previously arranged that the holders of owners' certificates and those who had applied for them by July 30 would be allowed to apply for the renewal of their licences up to August 13, subject to payment of \$1.50 for each ricscha. The meeting realized that there would be some cases of disputed ownership, but understood that these would be settled by the Board by the end of August. It was recommended that licences be renewed in due course subject to application therefor by August 13 and to the payment of the above sums of \$1.50 for the month of August by August 15. For the month of August only most of these contributions would be made in bulk. It was further recommended that pending settlement of outstanding cases the ricschas affected be allowed to function with July licences and that the Police be so informed.

(4) It was stated that drawings and a model of the approved type of ricscha would be ready shortly, and it was recommended that owners be allowed to inspect them before the new vehicles were put on trial on the streets, and to offer suggestions for their improvement after obtaining practical experience in their use.

It was made clear at the meeting that the licensee might be an individual or an association.

It was also explained to the representatives that the Council would give reasonable facilities for the transfer of licences in case of sale or death, provided the proposed new licensees were, as in the similar case of restaurant licences, considered fit and proper persons to succeed.

On the proposal of the Chairman it is unanimously

RESOLVED that the amended procedure for the issue of public ricscha licences and the collection of charges, as outlined by the Secretary, be adopted.

The Secretary states that he has put the recommendations in a form suitable for the press, and proposes to issue the statement after consultation with Mr. Massey.

Public and Private Ricscha Licences - Views of French Council. - The Secretary reads a letter from the French Council on the subject of public and private ricscha licences and pullers' licences, for members' information. Consideration of this matter is deferred to a later meeting.

The meeting terminates at 12.5 p.m.

J. R. Massey
Secretary.

E. H. K. Macgregor
Acting Chairman.

At the meeting of the Council held on Wednesday, September 5, 1954, at
4.30 p.m., there are:-

Present:

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

Messrs. J. W. Carney

C. S. Franklin

T. Funatsu

E. F. Harris

S. L. Hsu

E. Y. B. Kiang

W. P. Laube

J. H. Liddell

O. Okamoto

Tsuyee Pei

L. T. Yuan

Yu Ya Ching

The Commissioner of Police

The Chairman Ridesha Board

The Assistant Treasurer

The Secretary, and

Dr. J. C. H. Wu.

Absent:

Mr. H. E. Arnhold.

The Minutes of the last meeting and of the special meeting of August 7 are confirmed, and signed by the Chairman.

Telegraph Cable Extension through Council's Roads. - The Secretary reports ^{4/10} that the Chinese Telegraph Administration has requested permission for the extension of a new underground cable between Shanghai and Woosung to the Great Northern Telegraph Company's office in Avenue Edward VII. There are no objections on the part of the Public Works Department to the proposed route of the new underground cable, and the Commissioner of Public Works recommends that permission be given subject to the usual conditions and to provision being made for any necessary excavation or reinstatement work being carried out by the Council at the expense of the applicants. An undertaking would be obtained that the cable would be used solely for telegraphic purposes in which circumstances there would be no objection on the part of the Shanghai Telephone Co. The cable would be owned by the Chinese Telegraph Administration, but under the present agreement between the Great Northern Telegraph Co. and the Chinese Telegraph Administration the cable would, during the next 10 years, be maintained and repaired by the Company on behalf of the Administration.

The Secretary adds that previous applications generally from one of the Cable Companies for the connection of cables from various points to the head office in Avenue Edward VII have been granted. In 1921 and again in 1926 certain connections were permitted upon the application of the Chinese Telegraph Administration, subject to the necessary control by the Public Works Department in the matter of road openings etc. The present application is submitted by the Bureau of International Telegraphs and is supported by the Great Northern Telegraph Company for the laying of a cable from Avenue Edward VII to the Settlement boundary thereafter to connect with Woosung. The present application differs somewhat from previous ones since under one of the clauses of the agreement reached during the past year or two between the Manning Authorities and the Cable Companies the cable which is the subject of the present application would be the property of the National Government but would be let to the Great Northern Telegraph Company for the ten year period of the agreement whereafter it would come under the control of the National Government.

After brief discussion it is

RESOLVED that subject to compliance with the conditions recommended by the Commissioner of Public Works the application of the Chinese Telegraph Administration for permission for the extension of a new underground cable between Shanghai and Woosung to the Great Northern Telegraph Company's Office in Avenue Edward VII be approved.

Membership - Resignation of Mr. T. Funatsu. - A letter from Mr. T. Funatsu

Es/1. tendering his resignation from membership of the Council owing to pressure of business and frequent absences from Shanghai entailed thereby is submitted.

The Chairman states that Mr. Funatsu's resignation has been received by the Council with very great regret. With the exception of the year 1930 Mr. Funatsu has been a member of the Council or intimately connected with it since 1927. Those who have been privileged to serve on the Council with Mr. Funatsu, especially the older members appreciated his quiet charm of manner, his sound judgment and his tact and courtesy. Mr. Funatsu had won the esteem, admiration and regard of his fellow members. He is sure he is voicing the feelings of the Council when he says that they all very much regretted that business considerations compelled Mr. Funatsu to give up his seat on the Council which he had occupied for so long with so much ability and credit to himself and to the benefit of the community.

In reply, Mr. Funatsu states that he also very much regrets that pressure of business duties has compelled him to send in his resignation. He takes this opportunity of expressing his hearty thanks to the Council for the kindness shown him during his tenure of office.

Especially he thanks the Chairman for his remarks and the manner in which they have been received. Although he is resigning his seat on the Council he hopes and trusts that their friendly relations and intercourse will continue.

Mr. Funatsu adds that he desires to recommend that Mr. T. Yamamoto, Manager of the Nippon Yusen Kaisha in Shanghai, be co-opted as his successor. In his opinion, Mr. Yamamoto is an eminently suitable candidate to fill the vacancy created by his own resignation.

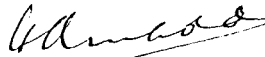
After brief discussion it is unanimously

RESOLVED that an invitation be addressed to Mr. T. Yamamoto to serve on the Council for the remainder of the current Municipal year.

Riesha Board - Monthly Report. - The contents of the report of the Riesha Board for the month of August, copies of which have been furnished to members, are formally noted.

For Eastern Association of Tropical Medicine. - The Acting Chairman states that a number of distinguished members of the medical profession is shortly arriving in Shanghai en route to Hanking where they will attend a congress of the above association. In view of the importance of this delegation, he considers it desirable that the Council should participate in any civic reception arranged for this body, and states that this question will be referred to the Chairman upon his return to Shanghai tomorrow.

The meeting terminates at 4.55 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, September 19, 1934, at 4.30 p.m., there are:-

Present:

Messrs. H. E. Arnhold (Chairman)

J. W. Carney

C. S. Franklin

E. F. Harris

S. L. Hsu

E. Y. B. Kiang

W. P. Lambe

J. H. Liddell

Tsuyee Pei

T. Yamamoto

The Commissioner of Public Works

The Commissioner of Public Health

The Assistant Treasurer

The Secretary, and

Dr. J. C. H. Wu.

Absent:

Brig.-Gen. E. B. Macnaghten

Messrs. O. Okamoto

L. T. Yuan

Yu Ya Ching

Membership. - On behalf of members the Chairman extends a cordial welcome to

Mr. T. Yamamoto upon his taking his seat on the Council and expresses pleasure that he has been able to accept the Council's invitation to serve.

In thanking the Chairman Mr. Yamamoto states that he much appreciates the invitation to join the Council and assures members that he will do his utmost to fulfil his duties as a Councillor.

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

Far Eastern Association of Tropical Medicine. - The Chairman informs members that in honour of the delegates to this conference arrangements have been made for a cocktail party to be given on October 1 by the three Municipalities, at the International Recreation Club. Arrangements may also be made to entertain the heads of the various delegations to a tiffin party.

The Secretary states that he understands that the Mayor of the City Government also intends to invite the delegates to a dinner at his home on October 1. As this reception may clash with the reception mentioned by the Chairman he is making enquiries as to the Mayor's intentions.

The Minutes of the meeting of the Orchestra & Band Committee of September 10 are submitted, and subject to the following observations, are confirmed.

Accommodation for Orchestral Concerts - Winter Season. - At members' request the Secretary outlines the position in respect to the arrangements

for the accommodation of the orchestral concerts in the Grand Theatre. In 1931 the Council entered into an agreement with Mr. Grant Mark personally whereby the theatre was to be let for the use of the Orchestra for five years at a rental of Tls.1,250 per performance. Owing to the inability of Mr. Mark to do anything beyond referring the Council to the owners and subsequently to the Receiver the Council took the position that their occupation of the theatre from the owners was for a reasonable price and not on the terms of the agreement with Mr. Mark.

In April last a tentative agreement was reached with Mr. Peters of Messrs. Haskin & Sells who had been appointed Receiver by the U.S.Court for the use of the theatre on more favourable terms to the Council, in substitution of the original lease. Mr. Peters undertook to endeavour to obtain the consent of the U.S.Court to this arrangement as soon as the newly appointed Judge took up his duties. No such action has however been taken. Two weeks ago an application was made to the U.S.Court for the distribution of the assets of the Company and this the Judge agreed should be held over until Mr. Peters' return to Shanghai. He hopes to be able to reach some definite arrangement with Mr. Peters prior to the next Council meeting, failing which he suggests that the Council will have to continue the occupation of the Grand Theatre or possibly the Carlton Theatre or alternatively utilize the Lyceum Theatre as recommended by the Band Committee and risk proceedings being brought for breach of contract.

Mr. Harris states that the Committee is strongly in favour of the Lyceum Theatre and that it hoped that by negotiation the Council could be relieved of its obligation in respect to the Grand Theatre.

Mr. Franklin states that he doubts whether the Council can be relieved of its legal liability particularly as the Council has withheld from the owners moneys due in respect of rates during the occupation of the theatre under the agreement with Mr. Grant Mark.

Upon Mr. Franklin suggesting that the question as to the Council's liability under this lease should be referred to the legal Adviser, the Secretary states that he doubts whether this course would serve any useful purpose at this stage. He hopes that when Mr. Peters returns to Shanghai it will be possible to confirm the tentative arrangement made in April last so that the difficulty may be solved. Had the representatives of the Theatre been able to reach an agreement and applied last May for the consent of the U.S.Court thereto the Council would not now be placed in its present unfortunate position.

Mr. Lambe suggests that as the Band Committee does not favour the occupation of the Grand Theatre upon any terms the existing lease might be cancelled upon payment of an agreed amount as compensation.

Mr. Franklin states that he understands that on October 15 the Receivers will apply to the Court for foreclosure proceedings. It is possible

that upon a new management then being appointed the Theatre authorities may be pleased to enter into a more satisfactory arrangement with the Council. He therefore suggests that meanwhile a temporary arrangement might be made for the use of the Lyceum Theatre.

Mr. Harris observes that if only a temporary arrangement were made with the Lyceum Theatre the Council would undoubtedly be required to pay the cost of the additional fixtures etc., to the theatre which the owners are prepared to instal at their own expense if the Council rents the theatre for the entire winter season.

After further discussion members agree that the negotiations initiated by the Secretary in the matter of the occupation of the Grand Theatre should be continued with a view if possible to a definite decision being reached at the next meeting.

The Minutes of the meeting of the Works Committee of September 11 are submitted and confirmed.

Mental Hospital Site. - In a report submitted the Commissioner of Public Works states that in planning the new Mental Hospital on a portion of the former site of the Victoria Nursing Home, Range Road, considerable difficulty has been experienced in meeting all requirements for the four classes of patients (foreign both sexes and Chinese both sexes), and it appears to the Commissioner of Public Health and himself that a better solution would be to site this building on the Kiaochow Road property. He therefore submits for consideration a plan showing both the Western Fever Hospital and the Mental Hospital placed on the recently acquired land.

With regard to the Mental Hospital, the new site permits of a much better plan for economy in working, and both hospitals have the very great advantage of Kiaochow Road Park on the south. This scheme involves the retention of the whole of the ground. But instead of the sale of surplus areas estimated to realise from Tls. 200,000 to Tls. 270,000, the present Mental Hospital site and balance of the old V.N.H. site, valued at Tls. 450,000 to Tls. 500,000, can be released for sale or other municipal purposes.

The above recommendation is endorsed by the Treasurer & Controller and has been adopted by the Health Committee.

After brief discussion it is

RESOLVED that the Mental Hospital be erected on a portion of the Kiaochow Road property in accordance with the plan submitted by the Commissioner of Public Works.

The meeting terminates at 5.25 p.m.

G. A. ...
Chairman

J. R. Jones
Secretary.

At the meeting of the Council held on Wednesday, October 3, 1934, at 4.30 p.m.

there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 Tsuyee Pei
 T. Yamamoto
 L. T. Yuan
 Yu Ya Ching
 The Acting Treasurer & Controller
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. J. W. Carney
 C. S. Franklin
 O. Okamoto.

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

6.17 Accommodation for Orchestral Concerts - Winter Season. - The Secretary reports that since the last meeting he has got into touch with Mr. Peters and today a letter has been received from him containing proposals in the matter of the occupation or otherwise of the Grand Theatre. The present proposals entirely ignore the tentative arrangements which were made in April last and it is apparent that the Theatre representatives have no intention of ratifying them. Mr. Peters' letter notifies the Council that it is not possible to allow the use of the Theatre on Sunday afternoons, that it would be available on Tuesday afternoons or evenings at a reduced rental of \$1200 and \$1000 respectively and that the Carlton Theatre would be available at a considerable reduction in price. The suggestion is also made that as an experiment the Council may hold Sunday afternoon concerts at any other theatre on payment to the Grand Theatre of a nominal weekly cancellation fee on the basis of the 30% paid in the past when the Theatre was not used on Sunday evenings. The Conductor has informed him that no success could be anticipated for the concerts if they were held in mid-week although he would favour the use of the Grand or Carlton Theatres for special performances. Should the Council decide to hold the concerts at the Lyceum Theatre as recommended by the Band Committee, a cancellation fee of \$525 per performance would have to be paid to the Grand Theatre and a fee of \$400 to the Lyceum Theatre. It may be anticipated that the receipts from the Lyceum Theatre would equal the amount of rent paid to that theatre, accordingly the Council would

sustain a loss on each concert not exceeding \$525, as compared with an average loss of \$1000-\$1200 on each concert given in the Grand Theatre last winter season. As before stated the Grand Theatre representatives appear to be determined to hold the Council to the terms of the contract although its legal position in this matter is doubtful. He therefore suggests that the Council might agree to the use of the Lyceum Theatre experimentally and that in the meantime negotiations be continued to cancel the agreement with the Grand Theatre, possibly by the payment of a lump sum.

As this proposal may be regarded as satisfactory from the Council's point of view the acting Treasurer & Controller expresses doubt as to whether the Grand Theatre representatives would agree to the utilization of the Lyceum Theatre for an indefinite period.

Mr. Harris observes that the rental of \$400 for the Lyceum Theatre is based on the assumption that it would be used for the whole winter season, if taken for a shorter period it is to be anticipated that the Council would have to bear the cost of the interior alterations.

As it is not clear in the letter received from Mr. Peters whether he is prepared to permit these concerts being held in another Theatre indefinitely the Secretary is requested to ascertain as to this and to endeavour to arrange that the Council retains the right to hold concerts elsewhere upon payment of the cancellation fee.

After further discussion it is

RESOLVED that the concerts at the commencement of the Winter Season be held at the Lyceum Theatre, the cost of any additions to this Theatre to be borne by the Council on the understanding that this expenditure will be refunded to the Council if the theatre is used for the whole of the Winter Season; that the cancellation fee of \$525 per performance to the Grand Theatre be approved and that in the meantime negotiations be continued to release the Council from its present obligations.

The Minutes of the meeting of the Library Committee of September 18 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of September 20 are submitted and confirmed.

The Minutes of the meeting of the Education Board of September 26 are submitted and confirmed.

School Holidays. - In view of the world wide significance of the Armistice Day observances Mr. Liddell considers it would be mistaken policy to abandon the closure of the foreign schools on that date.

This view will be taken into consideration when the question is reconsidered by the Board next year.

The Council's Educational System - Proposals by the Japanese Residents'

A. 11/2
Corporation. - The Acting Treasurer states that since the meeting of the Board he has ascertained from the Corporation that no charge is made to pupils attending the Japanese primary schools and that the monthly fee at the secondary schools is only \$5. If a scale of fees comparable to that obtaining in the Municipal schools for foreign children were in operation the necessity for a grant from the Corporation would disappear.

In view of the Board's appreciation of the fact that adoption of the proposals put forward by the Corporation would entail a complete reversal of the Council's existing education policy and of the impracticability of educational facilities being provided by all the various national groups Mr. Harris enquires whether it is the Council's wish that the Board should give further consideration to this memorandum. Another practical difficulty is that such a scheme could not be given effect to in the Settlement alone as the Council would then be subsidizing schools for the benefit of children whose parents paid no rates to the Council. The Sub-Committee which investigate applications for grants-in-aid to foreign schools will endeavour to ascertain the number of children attending the Japanese schools whose parents do not contribute to municipal taxation.

After discussion the Chairman's proposal is adopted that the Education Board be requested to give further study to the proposals submitted by the Japanese Residents' Corporation and to submit its recommendations to the Council.

Mr. Yamamoto undertakes to endeavour to secure as speedily as possible a nominee to the vacancy on the Board created by Mr. Kuroda's resignation.

The Minutes of the meeting of the Traffic Committee of September 28 are submitted and confirmed.

A. 11/2
Traffic Control. - In respect to the reference contained in this minute to the conferences to be held by representatives of the three municipalities with a view to discussions on the co-ordination of the public transport system generally formal approval is accorded for the initiation of these conferences.

In respect to the fines imposed for breaches of the Traffic Regulations Mr. Harris suggests that the Council might adopt the same policy as the French Municipal Authorities and summarily impose a fine thus assisting its ordinary revenue. The Secretary states that the Council has no legal power to adopt this policy whatever may be the position in the French Concession. Although under the Land Regulations such fines should accrue to the Council this has never been the case in practice and it is extremely doubtful whether the various Courts would now agree to such a change in policy. He will however prepare a memorandum on this matter for distribution to members.

The Chairman is of opinion that the public generally does not appreciate that the Council is doing its utmost to ameliorate traffic conditions. Many of the recommendations submitted by the Traffic Commission have been put into effect and the major improvements recommended by the Commission depend almost mainly on finance. In his opinion the traffic problem in Shanghai is less acute than in certain other large cities such as London and New York which have mainly only two kinds of traffic to contend with.

The Chairman quotes the reference in the Traffic Commission's Report which has for its aim the gradual reduction and eventual elimination of public rickshas. The Ricksha Board is now pressing for the introduction of an improved type of ricksha. Although the Traffic Commission presented its report eight years ago during which period public transport facilities have increased no action has been taken to reduce the number of public rickshas. In his opinion the introduction of a new type of ricksha will only serve to perpetuate the system. He suggests that as and when a ricksha becomes unserviceable its licence should be withdrawn, thus carrying out the recommendation of the Traffic Commission. The fact that pullers are now licensed should assist any scheme for a reduction in ricksha licences since a puller's licence which for any reason is withdrawn need not be re-issued. He feels strongly that the introduction of a new type of ricksha will definitely frustrate the Council in any efforts made to reduce the existing number of rickshas. The Commissioners of Police and Public Works, he states, would confirm that one of the reasons which prevent improvement in the public transport system is the number of rickshas on the streets.

Mr. Harris suggests that it is not necessary for the whole of the 10,000 licensed rickshas to be of the improved type; the ricksha is however a recognised form of transportation for the Chinese and this factor demands consideration when the question of reduction in numbers is examined.

The Chairman re-iterates that he only advocates a gradual reduction in the number of public rickshas and when the question of the introduction of the new type of ricksha is under discussion on Friday next he proposes to submit his views in this matter to the Ricksha Board.

Memorandum by the Japanese Residents' Corporation on Telephone Charges in the

Outside Roads Areas. - A further memorandum received from the Japanese Residents' Corporation in the matter of the additional telephone charges imposed in the Outside Roads Areas together with a Secretariat memorandum giving the history of this question and other relative documents have been furnished to members.

The Secretary states that at the time this agreement was negotiated, of the 474 Japanese subscribers in the Outside Roads areas only 223 paid the Council's special rate. The Council held that it had a definite moral obligation to those subscribers who paid its special rate and only

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after considerable difficulty was it possible to negotiate the agreement which is the subject of this renewed protest. Until April last these additional charges were under the agreement spread over the whole body of subscribers; this, as members are aware is no longer possible. The suggestion made by the Corporation that the Council can insist on a revised agreement is quite impracticable. The French Municipal Authorities are definitely opposed to this charge being indefinitely borne by the general body of subscribers and he submits that it would be unfair to expect Settlement subscribers to shoulder the burden of those who elect to live outside the Settlement.

Upon Mr. Liddell referring to the hardship inflicted on residents of the Northern Outside Roads area as compared with those in the Western area the Secretary states that this differentiation is due to the fact that in the Northern area the Chinese Telephone Administration is in a position to supply service. Three explanatory letters outlining the difficulties with which the Council is faced have been written to the Corporation and interviews have been given to its Chairman and members, the Japanese Assistant Secretary has also assisted in giving full information to the Corporation.

Upon Mr. Harris suggesting that if and when the Outside Roads agreement is concluded the position of the Public Utilities Companies will be improved the Chairman states that he is resuming these discussions with the Mayor at an early date although an interjection into these discussions of matters affecting the Public Utility Companies would result in the breakdown of the general discussions.

Mr. Yamamoto points out that one reason why subscribers in the Outside Road areas do not wish to take service from the Chinese Telephone Administration is the delay caused by getting connection with the Settlement telephone system. Mr. Liddell's suggestion is adopted that this question be taken up with the two telephone undertakings.

Mr. Lambe refers to the reference in this memorandum that the Company has been placed in such an advantageous position by this temporary contract that it has been enabled to extend its service to towns long distances from Shanghai. His proposal is adopted that this statement be officially refuted.

After further general discussion members agree that no information on this question other than that already given can be furnished to the Japanese Residents' Corporation.

Special District Court. - With reference to the minute of the meeting of June 25

19/7
4/11
a confidential memorandum by the Secretary together with a copy of the letter from the Special District Court and the Council's reply thereto have been furnished to members.

Whilst appreciating that the Council must afford protection to its servants Mr. Kiang expresses doubt as to whether the Council's action in refusing to accept the summonses could be legally upheld. He refers to the

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position under Land Regulation XXVI of a member of police who might be charged with torture and could not be said to have acted bona fide for the purpose of executing the Land Regulations. In such a case the offender could not claim the protection provided for officers carrying out their duty in good faith. Members of the police should be amenable to the courts of their nationality and not to the Court of Consuls. The Council would be subject to criticism by objecting to the jurisdiction of such court where the Court considered that there was a prima facie case of an offence which could not have had the Council's authority.

The Secretary states that the main issue was who was to decide whether an act had been done under the direction of the Council. Land Regulation XXVII says that a person acting in execution of the Land Regulations should not be personally subject to any action. Before any action is commenced against him personally the Council or the Court of Consuls by proceedings taken there should decide, and if the act was done without authority, the offender could be proceeded against in the appropriate Court. The Council as a corporate body was amenable only to the Court of Consuls. It can only act through its executive officers, and the whole object of the Land Regulations would be defeated if the Council's authority were to be undermined or attacked indirectly by subjecting its officers to the jurisdiction of Courts which had no power to decide upon the Council's powers.

The Land Regulations like the Court Agreement are multilateral and it was not open to any one party thereto to place its own construction upon it in case of a difference. Land Regulation XXVIII provides for a reference in case of dispute.

In this case the Waichiaopu had forwarded a formal protest to the Diplomatic Body who through their Consuls had asked for the Council's side of the question.

Mr. Hsu expresses doubt ^{as to} upon the advisability of the reply to the Court. It would have been better to say that the matter had been referred to the Diplomatic Body.

The Chairman explains that he had been asked to attend at the meeting of the Consuls who had suggested that it was not correct to leave the Court's letter unanswered and suggested that a reply be made stating the Council's point of view.

Monthly Report of Ricscha Board. - The monthly report of the Ricscha Board dated 12/1 October 1, copies of which have been furnished to members is formally received.

Captain R.M.J. Martin - Retirement. - The Chairman informs members that he has addressed a letter to Captain R.M.J. Martin, Extra Commissioner of Police and Governor of Gaols expressing the Council's appreciation of his services over a period of nearly 29 years. Captain Martin's reply which was received yesterday will be circulated to members.

The meeting terminates at 7 p.m.

Chairman.

Secretary.

At the meeting of the Council held on Wednesday, October 17, 1934, at

4.30 p.m., there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 Tauyee Pei
 T. Yamamoto
 L. T. Yuan
 Yu Ya Ching
 The Acting Treasurer & Controller, and
 The Secretary.

Absent:

Messrs. S. L. Hsu
 O. Okamoto.

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

Death of Committee Clerk. - The Chairman refers with regret to the recent death of Mr. A. S. Leech, and to the loss of his services to the Council.
 H. 3/188.
Accommodation for Orchestral Concerts - Winter Season. - Arising out of the minutes of the last meeting, the Secretary alludes to the letter from Mr. R. W. Peters, Receiver of United Theatres, Inc., copies of which have already been distributed to members. The arrangement proposed therein is that for the season October, 1934, to May, 1935, inclusive, the Council will refrain from using the Grand Theatre for Sunday evening concerts and will pay to United Theatres, Inc., compensation of \$500 for each Sunday during that period in lieu of the payments provided for under the agreement of 1931, the arrangement to be subject to cancellation on one month's notice on either side. Provision is also made for certain contingencies, including the resumption of Municipal concerts in the Grand Theatre on week days.
 E 2/9
 1/12

The Secretary states that he has had several conversations with Mr. Peters, who is willing to accommodate the Council as far as he is able. The arrangement would leave the Council free to engage another theatre for the period referred to. According to Mr. Peters the one month's notice clause was introduced for technical reasons and need not cause the Council any concern. The Council would pay all moneys withheld by the Council. Mr. Paci has been able to announce an orchestral concert in the Lyceum Theatre next Sunday, but awaits the Council's authority for extending the arrangement to cover the whole season, and Mr. Peters was so

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informed. The Secretary adds that there is no immediate prospect of terminating the existing agreement with United Theatres, Ltd., but that he suggested to Mr. Peters the continuation as soon as possible of negotiations for releasing the Council from its outstanding obligations thereunder.

It is thereupon

RESOLVED (1) that the arrangement proposed by the Receiver of United Theatres, Ltd., for the cancellation of reservations of the Grand Theatre for orchestral concerts for the season October, 1934, to May, 1935, upon payment by the Council of \$500 compensation for each Sunday evening during that period be accepted, (2) that negotiations be continued for the release of the Council from its outstanding obligations under the existing agreement with United Theatres, Ltd., and (3) that suitable arrangements be made for the engagement of the Lyceum Theatre for orchestral concerts during the season referred to above.

Education Board Membership. - With reference to the undertaking given by Mr. Yamamoto at the last meeting that he would try to obtain a successor to Mr. Kuroda on the Education Board, the Chairman states that Mr. Yamamoto himself is willing to fill the vacancy and to attend the next meeting of the Board. Members concur, and the appointment is confirmed.

Traffic Control. - Referring to his statements at the last meeting regarding the possibility of the summary imposition by the Council of fines for breaches of the Traffic Regulations Mr. Harris observes that he was not then aware of the provision in the Court Agreement for the retention by the Special District Court of all fines for offences in the Settlement. The amount involved in respect of the Consular Courts would be very small. The only question now is whether the Council should approach the Consular Body with a view to securing for the Council the fines paid into the Consular Courts for such offences.

In a summary of the present position already distributed to members the Secretary has pointed out that under Land Regulation 14 the Council has no right to levy fines except by legal proceedings, that at the request of the Consular Body it was agreed by the Council in 1930 that fines for breaches of the Municipal Bye-laws should be retained by the District Court as a contribution towards its operating expenses, that the adoption of the French system for the collection of fines would be unauthorized by law and only applicable to foreigners having extra-territorial rights and that the Consular Body might oppose the scheme as conflicting with such rights. As regards the possible recovery of fines from the Consular Courts under the provision of Land Regulation 14 the Secretary has expressed the opinion that to press the point would embarrass the working of the Courts, which derive from fines some revenue towards their maintenance, and that the present system is an incentive to the Courts to enforce the Bye-laws.

In reference to the policy of the French Municipal Authorities, alluded to by Mr. Harris at the last meeting, the Secretary explains that, as a matter of expediency, it is the practice of the Police with the authority

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of the District Court to collect small amounts of bail, usually \$2 to \$5, from offenders arrested for minor offences who, though liable to attend the Court, generally refrain from doing so, and the bail, being forfeited, is transmitted to the Court, whereupon the case is usually regarded as disposed of and no warrant is issued.

In view of the facts submitted by the Secretary it is agreed to take no further action in the matter.

In reply to a question by Brig.-Gen. Macnaghten, the Chairman states that the views expressed at the last meeting regarding a gradual reduction in the number of public ricschas were passed on to the Ricscha Board for favourable consideration.

Report of the Milk Committee, 1933-4. - At the instance of the Chairman the meeting records its thanks to the persons who served on the Milk Committee, and it is directed that the Report, which has already been distributed to members, be submitted to the Health Committee for consideration.

Defence Committee. - The Chairman states that when Brigadier Borrett was in Shanghai in the Spring of this year the question arose of making the Commandant of the Volunteer Corps a member of the Defence Committee. For reasons which were made quite clear the Council was unable to accede to the proposal, though it was subsequently requested that a senior officer of the Corps should attend all the meetings of the Committee. A request has now been received from Brigadier F. S. Thackeray, who wishes a senior member of the S.V.C. to act temporarily as Secretary to the Defence Committee, instead of Captain Warren who is leaving and whose successor will not arrive till about March, 1935. The request has been met by a letter addressed by himself to Brigadier Thackeray, consenting under the present exceptional circumstances to the duty of Secretary being temporarily performed by an officer of the S.V.C., subject to the arrangement being terminable by the Council in the event of a state of emergency being anticipated or in any other event that might in the Council's opinion lead to a conflict of interests. The appointment was to be without prejudice to the Secretary's position as a servant of the Council.

Brig.-Gen. Macnaghten inquires whether the Council might not have been given an opportunity of approving the letter before dispatch. The Chairman replies that he has placed it before the Council merely for purposes of record, as it appeared that the principle expressed therein was in accordance with a decision arrived at a long time before.

The Municipal Gazette for October 19 is submitted in proof form and authorized for publication, subject to deletion of information regarding the dates of Municipal concerts subsequent to October 21 and to necessary typographical changes in the printing of the programme for the concert on that day.

The meeting terminates at 5.15 p.m.

J. R. Jones
Secretary.

J. Macnaghten
Chairman.

At the meeting of the Council held on Wednesday, October 31, 1934, at

4.50 p.m., there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 Tsuyee Pei
 T. Yamamoto
 L. T. Yuan
 Yu Ya Ching
 The Commissioner of Public Works
 The Acting Treasurer & Controller
 The Deputy Treasurer - Revenue
 Mr. P. W. Massey
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. S. L. Hsu
 O. Okamoto

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

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

The Minutes of the meeting of the Works Committee of October 23 are submitted and, with the two following exceptions, confirmed:-

Nanking Road Widening - Cadastral Lot 508, C. - In response to a request
 L. 4/249 by Brig.-Gen. Macnaghten the Commissioner of Public Works states that, since the meeting of the Works Committee, the Ta Hu Commercial Savings Bank, sub-lessee of this property, while opposing a suggestion that the building be set back to the scheduled road line, has submitted modified plans which do not involve complete reconstruction of the front wall. The Bank however is willing to set back to the scheduled line when the buildings immediately to the West are set back.

The Commissioner of Public Works adds that no application has been received from the owners of the property (the Lester Trust Co.,) and that as regards the adjacent buildings he understands that the lease under which they are occupied expires in about five years. He is inclined to think that it would be best to issue a permit to the Bank for the modified alterations now proposed. Replying to the Chairman, he

states that the sub-lessee, if permitted to make the desired alterations, would no doubt agree to waive any claim for compensation therefor if a portion of the land is acquired by the Council for widening the road in five years' time.

Mr. Yuan points out that the Bank is anxious to complete the alterations at an early date as it has to vacate its present premises by November 15. He states that the Bank was under a misapprehension regarding the Council's road plans and is now prepared to accept a compromise arrangement. The Bank has definitely undertaken to agree to the building being set back when the buildings on the West are demolished.

Mr. Franklin is of the opinion that such an undertaking is of no value. It might result in a similar proposal by the lessees of the adjacent property, and a deadlock would ensue. He understands that the Commissioner of Public Works considers it would be economical to claim surrender for road widening now, even if the Council has to pay the cost of setting back the front wall.

The Commissioner of Public Works explains that he had in mind the probability that the value of the land would increase in the next five years or so.

Mr. Franklin considers that any misunderstanding as to the Council's road widening plans was the fault of the Bank.

The Commissioner of Public Works states that the application for the permit was made during his absence from Shanghai, and that it was first refused because the plans were structurally unsatisfactory. The Bank was definitely told on August 29 or 30 that part of the land was scheduled for road widening, though he thinks the Bank was aware of the fact before then.

Mr. Kiang refers to the difficulty encountered by the Bank and observes that the land will not normally be liable to compulsory surrender until the owner rebuilds. He is in favour of accepting the Bank's proposals.

Mr. Lambe considers it essential that negotiations be carried on with the owners, but the Commissioner of Public Works states that he believes the lessees own the building and claim the right to make alterations there- to without reference to the owners of the land. The date of termination of the lease is not known.

Mr. Lambe emphasizes the fact that extensive alterations would tend to prolong the life of the building, perhaps for 15 years, thus largely defeating the Council's intentions.

Replying to a suggestion by Mr. Harris, the Commissioner of Public Works states that the owners would not be likely to agree that the compensation to be ultimately paid by the Council should not exceed the present assessed value of the land.

Members generally agree that the views of the Works Committee should be endorsed, but to meet the special requirements of the case and to permit the Bank to occupy the building at the time arranged, it is

RESOLVED (1) that the Commissioner of Public Works be instructed to take steps for the immediate acquisition of the area scheduled from Cad. Lot 508 for the widening of Nanking Road, (2) that a permit be issued to the Ta Hu Commercial Savings Bank to effect alterations to the premises Nos.508-512 Nanking Road Cad.Lot 508 provided that the Bank will undertake to set back the front wall within 3 years from November 1, 1934, and abstain from making any claim against the Council in respect of the alterations on the land scheduled.

L 4/2.57
Nanking Road Widening - Cadastral Lot 628, C. - The Commissioner of Public Works states that he has just received a letter from ~~Wesley Anderson, Meyer & Co., owners of the Sincere building,~~ ^{Messrs. Anderson, Meyer & Co.} stating that they are not prepared to adjust the proposed alterations so as to provide additional space for pedestrians. The Sincere Co., Ltd., in their last letter, withdraw that part of the plan which involves reconstruction of the front wall of the premises.

Members agree that the Council is not yet in a position to acquire the land scheduled from the lot for the widening of Nanking Road, and it is

RESOLVED that a permit be issued to the Sincere Co., Ltd., to effect alterations to their premises on Cadastral Lot 628, C., not involving reconstruction of the front wall.

A 21/2
The Minutes of the meeting of the Education Board of October 24 are submitted and confirmed. In the matter of The Council's Educational System Mr.Harris states that the Council's educational building programme of 1930 is about 25% completed, and that if and when it is wholly completed it will provide education for some 7½% of the Chinese children in the Settlement. In connexion with the Japanese Residents' Corporation's proposals he states that the Japanese schools are facing a large deficit in 1935 and hope to obtain an increased grant-in-aid from the Council for that year.

The Commissioner of Public Works withdraws.

The Minutes of the meeting of the Orchestra & Band Committee of October 25 are submitted and confirmed with one modification as follows:-

L 4/2.58
Young People's Concerts. - The Secretary states that the Conductor has reported that the Young People's Concert held on October 26 was not so successful as in his opinion to justify a repeat performance, and that such repeat performances should only be given if a committee of persons interested in the musical education of young people of the poorer class can secure a hall free of charge and guarantee an audience of at least 250 children. Mrs. Leslie however has suggested that, instead of advertising young people's concerts the Council might announce a course of lectures to young people on orchestral music, illustrated by the Municipal Orchestra. This would have a direct appeal to those interested in musical education.

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Mr. Harris considers that it would in this case be important to secure the co-operation of the schools.

The Secretary undertakes to communicate this view to the Superintendent of Education, and subject to a favourable outcome of enquiries on these lines the recommendation of the Orchestra and Band Committee is approved.

The Minutes of the meeting of the Staff Committee of October 26 are submitted and confirmed, with the following exception:-

Country Hospital - Miss E. Rice's Hospital Account. - The Chairman suggests that it would be a gracious act to approve the issue of an ex gratia payment by the Hospital, as recommended by the Acting Treasurer & Controller.

Members concur, and it is

RESOLVED that, as a special case not covered by the Terms of Service, the Country Hospital be authorized to remit a sum of \$700 being approximately half the charges incurred by Miss E. Rice, ex-Matron of the Hospital, as a patient therein.

Ricsha Board's Monthly Report. - In a report submitted the Ricsha Board

explains the difficulty of enforcing adherence by ricsha owners, to the rule prescribing the maximum daily hire charge for public ricschas, and sets forth certain requests by a delegation of ricsha pullers relating to improvement of the conditions of the pullers, the employment of pullers for propaganda and investigation purposes and the final adoption of the model ricsha designed by the Board. Questions of providing clinics and schools, and of employing pullers for propaganda work, have been referred to the Pullers' Mutual Aid Association. The Board further desires to employ certain pullers who have been boycotted by the owners to investigate the question of excessive charges, involving a cost of \$200 to \$300 in the experimental stage, and to confiscate licences for definite breaches of licence condition 19. The licensing of public ricsha pullers is to begin on November 19.

Mr. Massey states that the Ricsha Board has since been able to obtain confirmatory evidence of the infraction of the maximum charge rule by ricsha owners. Four of these have been summoned, and all threw the blame on the contractors. In the Board's opinion the owners must nevertheless be made responsible, and they have been informed that the relative licences may be withdrawn. Mr. Massey suggests however that in these cases, and in four others coming up to-morrow, it might be preferable to suspend the licences and to announce that the Council will exercise no further leniency in this direction.

Members generally agree that drastic action should not be taken at this stage, though Mr. Harris and Mr. Franklin are in favour of suspending the licences in the first place for as long as three months. Mr. Harris also enquires whether suspension would not throw some ricsha pullers out of employment, and if so whether it would not be better still to cancel the licences and re-issue them to other owners.

After some further discussion it is suggested

That in the cases reported the penalty for a proved breach of condition 19 of the public ricscha licence conditions, relating to the maximum hire charge for ricschas, be suspension of the licence for one month.

Mr. Massey states that 24 ricscha pullers who helped the Council in August by disseminating authentic information regarding the Council's intentions were thereafter boycotted by the owners and are now unemployed and dependent on charity. They were paid only small sums to cover their expenses for a fortnight, and it is thought that they might now be employed to advantage in investigating breaches of the hire charge rule. Replying to the Chairman Mr. Massey states that these men would no doubt be glad to obtain work as private ricscha pullers if they were given the opportunity.

The Chairman considers that engagement of these men as proposed would be a dangerous course to pursue, and suggests as an alternative that they be paid a definite sum for past services.

After discussion, members concur, and it is

RESOLVED that the Ricscha Board be authorized to pay a sum of \$300 to certain ricscha pullers, now unemployed, for assisting the Council in August, 1934, in bringing the Council's ricscha proposals before the public and combatting misleading propaganda.

The Secretary refers to the proposal of the Ricscha Board to begin the licensing of public ricscha pullers from November 19, and Mr. Massey describes measures which will be taken to issue to the owners three nomination papers in respect of each ricscha for the nomination of pullers to be licensed.

Mr. Massey adds that over 9,000 private ricscha pullers have been licensed, and that this is as much as can be done without compulsory powers, which require the co-operation of the French Municipal Authorities. The licensing of public pullers could not be completed until about April, 1935.

Mr. Massey withdraws.

General Municipal Rate - Re-assessment of Chinese Hotels. - In a statement submitted members are informed that the owners of eight Chinese hotels have contested increases in the assessment of their premises, which will bring them into line with rented hotels whose assessments are based on the rentals paid. They have been invited to submit their appeals to the Council, but they have declined either to appeal or to pay the increases called for under the new assessment. Figures are submitted showing that the new assessments compare very favourably with those placed on rented Chinese hotels, and the re-assessments of three owner-occupied foreign hotels are also given for comparison.

The Secretary states that some Chinese hotels which have been re-assessed are paying on the new scale, and that others would apparently do the same but for the fact that they are being coerced by the Hotel Keepers' Association. They argue that business is bad, and claim that assessments

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should vary with the ability of the owners to pay. The Council could no doubt arrange to receive rates by instalments, and it has been suggested that if half the increase in rate is paid now the other half could be spread over a period of 12 or 14 months. The owners concerned have been given an extension of 10 days in which to appeal, terminating today, but still refuse to do so. It is becoming increasingly difficult to collect rates, and no administration could accept the principle of fluctuating rates dependent on the state of business. In the cases under consideration there is evidence of an attempt to conceal the true rental value of the properties.

The Chairman suggests bringing pressure to bear on these hotel owners by cutting off their telephones. The Secretary states that the objectors, by refusing to pay rates, have infringed licence condition No. 28, making the licence liable to withdrawal or suspension. Licences in these cases have been issued for the fourth quarter of the year. If they are now withdrawn it would be necessary for the Council to prevent access to the premises. Mr. Pei is in favour of giving the owners another two weeks in which to comply with requirements.

Members agree that all possible consideration has been given to the owners, and as the latter have so far refused to appeal to the Council it is

RESOLVED that the owners of eight Chinese hotels be given one week's notice that unless they pay the increased rates due on their premises or appeal in due form against the re-assessment on which such rates are based the licences will be withdrawn.

The meeting terminates at 6.35 p.m.

W. A. ...

Chairman

J. ...
Secretary.

At the meeting of the Council held on Wednesday, November 14, 1934, at 4.30 p.m.

there are:-

Present:

Mr. H. E. Arnhold (Chairman)

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

Messrs. J. W. Carney

C. S. Franklin

E. F. Harris

S. L. Hsu

E. Y. B. Kiang

W. P. Lambe

J. H. Liddell

O. Okamoto

Tsuyee Pei

T. Yamamoto

L. T. Yuan

Yu Ya Ching

The Commissioner of Police

The Commissioner of Public Health

The Commissioner of Public Works

The Acting Treasurer & Controller

The Deputy Treasurer (Revenue)

The Secretary, and

Dr. J. C. H. Wu.

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

24/350

In the matter of Nanking Road Widening - Cadastral Lot 628, C.

Mr. Franklin states that he has ascertained that Messrs. Andersen, Meyer & Co. are not the owners of the Sincere Co. property.

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Nanking Road Widening - Cadastral Lot 508, C. - The Commissioner of Public Works states that the position has not changed much since the last meeting. He was told by the owners that the lessees had no right to make alterations to the building and that the building was to revert to the landlord at the expiry of the lease in about ten years' time. On the other hand they might offer no objections to the proposed alterations. The Commissioner of Public Works conveyed this information to the sub-lessees, who replied that they could easily get the necessary consent. However a number of difficulties appear to have arisen as the owners are said to be endeavouring to bring in other matters with the lessee and sub-lessees, which do not properly arise from the application. The sub-lessees have stated that they have undertaken, vis-a-vis the landlords, to set back the wall at their own expense and to continue to pay the same rental as reserved under the lease. The original lessors were also perturbed and suggested that if the application for a permit were withdrawn the Council should also revoke its decision to ask for the surrender of the scheduled area at the end of

three years. The Commissioner of Public Works gave them to understand that the Council would probably not comply. Further, he asked the agents of the Lester Trust on what terms they would consider the surrender of other land from the same lot for the scheduled widening of Chekiang Road. He stated that, as the late Mr. Lester had granted a ten-years extension of the lease of the property to be occupied by the Ta Hu Bank the Company might agree to do the same with the corner property on the same lot, and he wished it to be understood that the Council would want to acquire the scheduled area at the Chekiang Road corner if it became available, e.g., as the result of fire or alterations. A reply from the Lester Trust is expected shortly.

Members endorse the action taken by the Commissioner of Public Works and authorize him to continue his enquiries on the same lines.

B5/22 General Municipal Rate - Re-assessment of Chinese Hotels. - The Chairman reports that the licensees of the eight Chinese hotels on which the assessment has been increased have agreed to an arrangement by which they are permitted to pay the increase in rates in progressive stages, and that rates on the agreed basis have been paid for the current quarter.

The Secretary states that a separate letter has been received from each of the hotels agreeing to the terms stated.

The Commissioner of Public Works withdraws.

The Minutes of the meeting of the Health Committee of November 8 are submitted and confirmed. The Chairman states that this involves acceptance of the recommendations of the Milk Committee, 1933-4, with the variations recommended by the Health Committee.

The Minutes of the meeting of the Watch Committee of November 9 are submitted and confirmed. In the matter of S.V.C. Adjutant - Successor to Captain P. H. Catt, the Chairman observes that endorsement of the Committee's recommendation by the Staff Committee, which is required before it can become effective, has not yet been obtained.

11-20 In the matter of Ward Road Gaol - Report by Mr. O. Okamoto and Dr. John Wu, the Secretary states, in reply to an enquiry by Mr. Pei, that the report in question will be circulated in due course to members of Council.

The Commissioner of Public Health withdraws.

Ricsha Board's Report for October. - The report of the Ricsha Board is submitted to members.

The Chairman states that he is concerned about the continued opposition to the introduction of the Council's model ricsha, on which a number of articles have appeared in the press. In his opinion it will be necessary for the Ricsha Board to exercise a good deal of discrimination inasmuch as small owners may have great difficulty in raising the money for the necessary replacements.

Mr. Massey states that it is the intention of the Board to allow a reasonable extension of time where it appears that hardship would be

inflicted by insisting on replacement within one month, and representatives of the owners have been so informed.

Mr. Harris suggests that ricschas might be bought on the hire purchase system, which would minimize the anticipated difficulty.

Mr. Franklin observes that when a ricscha is condemned it has to be replaced whether the new model is made compulsory or not. Mr. Massey however states that it is very difficult to say what the cost would be. He believes that an inferior type of ricscha can be obtained for about \$70, whereas a good type of ricscha, whether built to the Council's specification or not, might cost more, possibly \$130. There is reason to believe however that a model ricscha can be supplied at the original estimate of \$105.

The Secretary states that \$105 was the price charged to the Council by Tai Chong & Co., but that it may not be possible to buy model ricschas at that rate in the open market. The Commissioner of Police states that he has been told, with what truth he does not know, that the new model will last only half as long as one of the present type.

Continuing, Mr. Massey states that if the Board is too lenient an enormous amount of evasion may be expected. He refers to a report by the Commissioner of Police on an emergency meeting of the Ricscha Owners' Association yesterday, when a number of resolutions, hostile to the Council's plans, were passed, relating particularly to the compulsory replacement of worn out ricschas by the new models, the registration of public ricscha pullers, and the suspension of licences on what is regarded as insufficient evidence of excessive hire charges. The Association resolved to open further negotiations with the Ricscha Board, and if no relief is afforded to obstruct the execution of the Council's policy.

Mr. Massey states that it was a concession on the Council's part to allow the owners to nominate 30,000 out of the 40,000 men who are to be given pullers' licences. The Council's licensing stations are costing some \$500 a week in maintenance. If the owners persist in their present tactics the Council will have to consider the question of undertaking the whole of the work, involving a recruiting campaign for the total number of pullers instead of only the excess over 30,000. In that case further opposition by owners might be expected.

The Chairman is of the opinion that the owners should be made to realize that the Council is determined to carry out its scheme. At the same time he has some doubts whether, if the Council itself proceeds to licence pullers, the owners will let out their ricschas to the pullers so licensed.

The Commissioner of Police considers that independent action by the Council would be dangerous, since the owners have control of the pullers, and the Council might be registering pullers who had no ricschas to pull.

Mr. Harris is of the opinion that the Council should insist on the co-operation of the owners; otherwise it will be obliged to consider the adoption of Recommendation 1 of the Ricscha Commission and transfer the public

public ricscha business to a Company.

The Chairman states that in his opinion a meeting of representatives should be called in the first place and the owners told that the Council is determined to carry out its programme and informed of the consequences of their failure to co-operate.

The Secretary expresses the view that full discussion would be the best way of dealing with the owners' objections, including those submitted in their letter of November 5. If they are plainly told of the consequences of continued opposition they may not stand out so strongly against the Council's scheme. He is inclined to think that the more responsible leaders are prepared to discuss the possibility of a way out of the difficulty without sacrificing the principle of the registration of pullers. There may be some ground for their dissatisfaction with the rigid adoption of the model ricscha.

Mr. Massey states that if necessary the Council could, by employing ten men on the recruiting of ricscha pullers, assure the licensing of a large number of them, and that the others would come into line.

The Chairman considers that this course would be a dangerous one. Mr. Carney observes that a ricscha licence issued by the Council is intended for use, and that if the owner is unable to use it through declining to engage a licensed puller the ricscha licence can be terminated.

As regards the proposal to hold a further conference Mr. Massey states that meetings with owners have already been held, and he does not know what more can be done in that way. He is in favour of stating the Council's alternative, and if the owners fail to come into line abiding by it. Replying to Mr. Liddell he states that the owners would not know which of their pullers had obtained licences from the Council. The Commissioner of Police however believes that they would have means of ascertaining which were licensed.

The Chairman suggests letting the matter stand over a few days and deferring decision until the owners come to discuss the matter. Mr. Lambé however would prefer an early statement of the Council's intentions as the time is short. Mr. Massey adds that at the end of July last the owners were only induced to comply with the Council's rules by the announcement that applications would be considered from new owners for the limited number of ricscha licences available.

After some further discussion it is

RESOLVED that the Ricscha Board be authorized to call a meeting of ricscha owners, with the object of clearing up misunderstandings regarding the Council's ricscha scheme and to consider any reasonable grievances, and to inform them that if they do not carry out the Council's stated policy as required by the Board the Council will have no alternative but to cancel their licences.

Licensing Accommodation. - In a memorandum submitted members are informed that ^{9-29/34} the French Municipal Administration has now given its consent to the immediate introduction of compulsory licensing of private ricscha pullers provided the Council will agree to certain changes in the system of private ricscha licensing. One of these changes involves the issuing of the same licence number at each quarterly renewal. The adoption of this proposal, with which both the Ricscha Board and the Finance Department are in agreement, will make it possible easily to classify records and to control transfers. The French Municipal Administration regards this point as essential for the efficiency of the proposed reforms.

If the proposed change is made it will be necessary for the Revenue Office to be given additional accommodation. The licences in question must be issued by the third week in each quarter and eight shroffs must be simultaneously employed. Apart from this new ricscha proposal the licensing accommodation of the Revenue Office is insufficient and the Finance Department has suggested that all licensing of public vehicles (other than motor vehicles but including private ricschas) should in future be handled by the Police Department. The Revenue Office would continue to furnish shroffs and receive fees, and control would be facilitated as the Police Department would compile and retain the required records of identity and ownership.

This proposal has been fully discussed at a department conference attended by representatives of all interested departments. The Police and Finance Departments strongly advocate the proposed change. The Public Works Department states that the necessary accommodation can be found probably on part of the Amoy Road Gaol site. As far as ricscha licensing is concerned it will not be necessary to make the change until April next, which will allow further opportunity to consider the acquisition of a suitable site.

It has been suggested that possibly the French Municipal Administration might agree to increase the fees for private ricscha licences in order to off-set to some extent at least the extra expenditure involved.

In a report submitted the Acting Treasurer & Controller states that if the Police Department undertakes the licensing of vehicles other than motor vehicles, and accommodation for Revenue Office personnel is provided at the issuing depot, the annual additional cost would approximate \$8,000, while the initial cost of plates, buildings, etc., is estimated at \$12,250. This does not include the cost of Police supervision, but if accommodation were provided in Police depots the cost of supervision would be negligible.

On the proposal of the Chairman it is

RESOLVED (1) that as a condition precedent to the compulsory licensing of private ricscha pullers changes in procedure, involving the issue of the same licence number at each quarterly renewal, as proposed by the French Municipal Administration, be adopted, and (2) that in future the licensing of public vehicles (other than motor vehicles but

including private rickshas) be handled by the Police Department in co-operation with the Revenue Office and that steps be taken to secure the additional accommodation which will be necessary.

In connexion with the first resolution Mr. Massey enquires whether the Ricksha Board can announce a date for the beginning of compulsory licensing of private ricksha pullers.

The Deputy Secretary states that, as the Council has already authorized compulsory licensing, it will now only be necessary to reply to the French Administration and immediately thereafter announce the date for enforcement of this measure.

The Commissioner of Police, the Acting Treasurer & Controller, the Deputy Treasurer (Revenue) and Mr. Massey withdraw.

Prevention of Smuggling. - The Secretary states that hitherto the Chinese Government has had great difficulty in preventing smuggling owing to the fact that it was not a criminal offence in Chinese law to smuggle or to be in possession of smuggled articles other than opium, arms or other contraband. To remedy the position the Chinese Government has now promulgated a Customs Preventive Law. The Commissioner of Customs has approached the Council with a view to the enforcement of this Law in the Settlement. The Secretary states that it is unquestionably necessary for the Council to give the fullest possible assistance to the Customs authorities. It is proposed to write to the Commissioner of Customs agreeing to enforce the law in respect of residents who are subject to Chinese law in the same manner and on the same terms as are applicable to the Stamp and Tobacco Tax Regulations. These terms provide that the Shanghai First Special Area District Court shall have sole jurisdiction to adjudicate cases arising out of the application of this Law provided such cases are instituted and judicial processes are applied for only by the Municipal Advocate. The enforcement of the Law is to be entrusted to the Special Squad attached to and under the direction of the Office of the Municipal Advocate.

Replying to a question by Mr. Harris the Secretary states that the law would not be enforced against foreigners except by sanction of the Consuls.

Secretary General's Duties. - The Chairman states that the duties of the Secretary General as specified in the Duties of Officers were delegated to the Secretary upon the Secretary General's departure from Shanghai. As normally the period of such delegation does not exceed a period of three months he proposes and members agree that the duties of the Secretary General as specified in the Duties of Officers be carried out by the Secretary until the return of the Secretary General.

Vehicle Licence Conditions. - Mr. Harris mentions that low bumpers on motor vehicles and mascots on their radiator caps are apt to cause injuries to pedestrians, and enquires whether a licence condition prohibiting dangerous projections can be introduced, as in America.

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The Secretary undertakes to obtain the views of the Commissioner of Police thereon, and to bring the matter to the attention of the Watch Committee.

The meeting terminates at 5.50 p.m.

W. H. Wood

Chairman.

J. J. Jones
Secretary.

At the meeting of the Council held on Wednesday, November 28, 1934, at

4.30 p.m., there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 O. Okamoto
 Tsuyee Pei
 T. Yamamoto
 L. T. Yuan
 Yu Ya Ching

The Commandant of Volunteers
 The Commissioner of Police
 The Commissioner of Public Health
 The Commissioner of Public Works
 The Treasurer & Controller, and
 The Secretary.

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

Nanking Road Widening - Cadastral Lot 508, C. - Replying to the Chairman the Commissioner of Public Works states that the Ta Hu Bank has carried out a number of alterations to its new premises without a permit. The owners have not consented to the alterations but are taking no action to prevent them. The Bank is to open the premises on December 1. The Bank is understood to be prepared to give an undertaking to set back the building to the scheduled road line in three years' time without cost to the Council. This it has no legal power to do, but the Commissioner of Public Works believes that it will be possible to obtain a promise to indemnify the Council against any expense involved by the alterations or subsequent setting back of the wall. The Lester Trust will probably consent to the present alterations which are costing the Bank a good deal of money.

Ricsha Ricsha Board's Report for October. - The Chairman states that after the last meeting he sent a memorandum to members requesting them to submit their views on the ricsha situation to the Secretary. A copy was also given to the Chairman of the Ricsha Board. The latter subsequently called a meeting of ricsha owners, whose attitude was on the whole conciliatory, though they desired the Board to go slowly in enforcing its requirements. The Chairman understands that the Board realizes the necessity for giving the owners sufficient time to come into line, which they are likely to do,

and is satisfied that there are practical difficulties in making the new ricschas conform in all respects to the original specification.

Prevention of Smuggling. - The Secretary states that a letter was written to the Customs Authorities in the terms stated at the last meeting promising all assistance within the Council's power in the enforcement of the Customs Preventive Law in the Settlement. A reply has been received in which the Commissioner of Customs agreed to these terms with certain reservations including the liberty to apply to the Consular Body for arrangements to be made for the application of the law to extraterritorial subjects. The Commissioner also pointed out that the terms enforced by the Council deprived the Customs officials of the power given under certain provisions of the law of seizing smuggled property and levying fines for smuggling. In his letter in reply the Secretary emphasized the principle that the application of the law within the Settlement must be through the Council's ministerial officers and the judicial medium of the Court.

The Minutes of the meeting of the Traffic Committee of November 12 are submitted and confirmed, subject to modification of the Recommendation under Traffic Control. The Deputy Secretary refers to a later report on this subject by the Commissioner of Police and to a communication from the Chairman of the Committee.

In his report referred to above the Commissioner of Police states that much could be done to improve traffic control, for which purpose the assistance of specially trained police officers would be of value. In his reorganization scheme he had allowed for a Superintendent for outside supervision who might be obtained from outside the service, and had further suggested the appointment of an assistant with the rank of Inspector. In his analysis of the situation the Commissioner stresses the importance of a sound knowledge of local conditions in any officer who is placed in charge of traffic control. He submits that the Recommendation does not evince full understanding of the conditions of employment of traffic experts elsewhere or of the duties, pay and official standing of such experts. He offers a suggestion that he be given facilities on his next long leave to study traffic conditions in New York, London, and other cities if possible, with a view to the selection of a police officer, experienced in traffic problems in London, capable of acquiring in a reasonable time sufficient knowledge of local conditions while on outdoor supervision to enable him in due course to take charge of the Traffic Department. At the same time he would select in London a more junior officer to assist and to take the senior officer's place on outdoor supervision when the latter takes charge of the traffic department.

The Chairman is of the opinion that the foregoing proposals should be submitted to the Watch and Staff Committees for endorsement before any action is taken.

The Commissioner of Police states that there are vacancies in the Force for the two officers whose engagement he has recommended.

In reply to an enquiry by Mr. Harris the Chairman expresses the opinion that authorization of these appointments, as suggested, would not conflict with the recommendation of the Traffic Committee whose intentions are not clearly defined.

Mr. Kiang endorses the proposal of the Commissioner of Police, which he thinks offers the best solution of the problem.

Mr. Liddell enquires whether, as an alternative, it would be possible to assign a man in the Police Force to study traffic control at home with a view to his taking over the special duties required. The Commissioner of Police replies that in his opinion this course would not be as satisfactory as engaging an expert with police training at home since it might take one of the existing staff two years to become qualified.

Mr. Lambe states that the original proposal of Colonel Koller was that the expert should have the rank of Deputy Commissioner of Police, and that his own objection to the Traffic Committee's recommendation arose partly from the fact that this aspect of the matter was not debated or understood. Further, the Recommendation in his opinion trespassed on the functions of the Watch Committee, and it was drafted without knowledge of the cost involved. Mr. Lambe has no objection to the proposal of the Commissioner of Police, as he realizes the need for alleviating the traffic difficulties in the Settlement. He considers that it would be of no use engaging a highly paid man from abroad unless the Council is prepared to adopt his recommendations.

The Chairman believes that the Commissioner of Police does not necessarily propose to engage a highly paid man.

It is thereupon decided to refer the recommendation of the Traffic Committee and the proposal of the Commissioner of Police to the Watch and Staff Committees for their favourable consideration.

The Minutes of the meeting of the Education Board of November 21 are submitted and confirmed, with one amendment.

In the matter of the Council's Educational System Mr. Harris states that it was pointed out in meeting that no increase in the number of schools for foreign children was contemplated. Replying to an enquiry by Mr. Okamoto regarding the provision of additional schools for Chinese children in 1935 the Chairman states that this must wait until the Budget for that year is under consideration.

In this connexion Mr. Harris refers to the fact that the premises of the Public School for Girls, Boone Road, will be vacant from the beginning of next year unless when vacated they are applied to some other purpose, and states that the question of instituting another secondary school for Chinese girls therein was favourably considered by the Board. A report by the Commissioner of Public Works, dated October 5, stated that accommodation

for 400 pupils could be found and that the necessary expenditure on the building and furniture would be about \$7,700.

The Chairman states that the site is worth about \$1,000,000. The Treasurer & Controller points out that if a new school were opened in this building the Council would be committed to an annual expenditure for maintenance, including interest on the site value, of more than \$100,000, and it does not appear that this question can be decided until the Budget is under consideration.

Mr. Harris states that the provision of three schools for Chinese has been under consideration by the Education Board, and that there was a strong presumption that the Council would approve one of them. The Council has already approved in principle of the retention of the Boone Road site for educational purposes, as recommended in Section H, clause (h), of the report of the Education Board to the Council in 1931. The present idea is that it should be used temporarily for school purposes.

The Treasurer states that if the premises remained unused or unsold for two or three months the loss would be small compared with the cost of maintenance of a school, there or elsewhere. The Commissioner of Public Works adds that the site was earmarked for other purposes before the recommendation of the Education Board was made. There are other places where a new school could be opened, such as the building now occupied by the Thomas Hanbury School for Girls in Boone Road and the site of the Mental Hospital.

A majority of members agree with the Chairman that the issue be not further debated until the Budget for 1935 is under consideration.

The Treasurer & Controller expresses willingness to attend the next meeting of the Education Board at which this matter is placed on the Agenda.

In the matter of Chinese Education Officer - Mr. H. C. Chen's Special Leave the Secretary states that this subject was not on the Agenda but was introduced by Dr. Gordon Thompson without previous reference to himself or the Superintendent of Education. The recommendation of the Education Board that Mr. Chen's special leave be extended for two weeks, with full pay, to enable him to complete his studies in Liverpool, has been endorsed by the Staff Committee. Since then a report has been received from the Superintendent of Education, forwarding and endorsing a request by Mr. Chen for an extension of leave for only one week. Such an extension would be in order, though it is not the practice to grant full pay. The Treasurer points out that Mr. Chen is now on special leave, not on ordinary long leave.

RESOLVED that the special leave of Mr. H. C. Chen, Chinese Education Officer, be extended for one week, with full pay, to enable him to complete his studies in Liverpool.

Pergola for Band Concerts. - The Chairman states that in the minutes of the
X1119 Finance Committee meeting of November 27, which are not yet ready for
confirmation, it is recommended that an offer by Mrs. Ezra to present a
marble pergola to the Council be gratefully accepted, subject to a
favourable report by the Conductor of the Orchestra as to its suitability
as a bandstand in Jessfield Park in substitution for the wooden stand now
in use for brass band concerts. The pergola would need to be taken away
immediately, and the Commissioner of Public Works estimates that the cost
of removal and re-erection might be about \$10,000, though possibly it
would not exceed \$6,000.

Brig.-Gen. Macnaghten states that he has seen the pergola. It
is a beautiful thing, and he believes it could be used as a bandstand.
Mr. Harris states that he viewed the pergola with Mr. Paci, who agrees
that it would accommodate the members of the Band, though it has no roof
and would require temporary covers for the top and sides, and this for the
time being would detract from its architectural value.

The Commissioner of Public Works states that it would be easy to
find a suitable site in Jessfield Park where the pergola could be erected
facing South. The back is a granite wall, with openings which could be
glazed if necessary.

The Chairman suggests that the offer be accepted, especially as
he understands that a new bandstand would cost about the same as the
estimated cost of removing and re-erecting the pergola. Members concur,
and it is

RESOLVED that Mrs. Ezra's offer to present a marble pergola
to the Council be gratefully accepted, and that the pergola be
re-erected in Jessfield Park and used as a stand for brass band con-
certs in place of the existing wooden bandstand.

Volunteer Corps - Practice Mobilization. - In a report submitted the Commandant
of Volunteers requests authority for carrying out a Mobilization Exercise
on Sunday, December 16. In a communication to the Commissioner of Police,
forwarding a draft copy of the mobilization orders, he states that he pro-
poses sending the cavalry to the line of Warren and Rubicon Roads and
states that all troops would be instructed not to leave the Council's
roads. He also suggests that the Chinese authorities and the public be
warned of the Mobilization Exercise.

Correspondence between the Commandant and the Acting Treasurer
& Controller is also submitted, relative to the former's proposal to spend
up to \$1,000 on the transport of infantry forming part of the mobile columns.

The Secretary states that the Mobilization Exercise has been
approved by the Watch Committee by circular, provided (1) the Commissioner
of Police has no objection, (2) the authorities of the Municipality of
Greater Shanghai are warned and raise no protest, (3) the Foreign Commanders

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are warned, (4) no great expense is involved, and (5) the public are warned.

The Commissioner of Police states that he has informed the Commandant that he has no objection, but is of the opinion that a warning should be sent to the Chinese authorities.

The Commandant states that the scheme is in substitution for a Practice Mobilization, for which his predecessor asked for an appropriation of \$8,000, and is proposed as a means of testing the mobilization plans by parts, of which this is the first. The cost of transport was estimated not to exceed \$1,000 but it is more likely to be about \$600. The Secretary observes that similar movements of light horse, batteries, etc., have taken place in the past, and there would appear to be no objections to the present exercise if it is confined to the roads.

It is accordingly

RESOLVED that the Commandant of Volunteers be authorized to carry out a Mobilization Exercise, in accordance with plans submitted, subject to no objections being raised by the Shanghai City Government, and that warning thereof be given to all interested parties and to the general public.

The Commandant enquires what steps he should take in connexion with similar exercises in future. The Chairman replies that it is desirable that he should submit to the Council a general outline of his proposed plans.

The Commandant withdraws.

Extension of Closing Hours. - The Chairman states that an application has been received from the American Troop of the S.V.C., which has hired the Little Club for the exclusive use of its members for a Troop dinner and entertainment this evening, for an extension of the closing hour from 2 a.m. to 4 a.m.

The Secretary explains the rule, to which the Council has adhered in recent years, fixing the closing hours for houses of public entertainment at 2 a.m., but permitting an extension to 4 a.m. on certain specified occasions including the annual functions of certain national societies. This late application, relating to a Thanksgiving Eve celebration, does not come under the exceptions provided for, and he therefore informed the applicants that he could not give consent without express authority from the Council.

Mr. Franklin considers that this is a special case, and that as the Little Club is not open to the public this evening the Council should not object to the extension. When similar functions take place on club premises no permit is required. General Macnaghten expresses the view that the Secretary might have a certain amount of discretion in dealing with special cases of this kind.

RESOLVED that the Little Club be permitted to remain open on the night of November 28-29 on the occasion of the exclusive use of the premises by the American Troop of the S.V.C.

Famine Fund - Street Collection. - The Secretary states that he has received through Mr. T. K. Ho an application by the Chinese National Famine Relief Commission for permission to hold a street collection on Saturday, December 8. He referred Mr. Ho to the Commissioner of Police who expressed his opinion that the Council would raise no objection if the collections were carried out by Boy Scouts in uniform and were limited to the hours between 8 a.m. and 4 p.m.

RESOLVED that permission be given to the Chinese National Famine Relief Commission to hold street collections, by means of Boy Scouts in uniform, on Saturday, December 8, between the hours of 8 a.m. and 4 p.m.

Quarantine Regulations. - The Secretary states that, in pursuance of the Council's approval of the introduction of quarantine regulations for imported animals a draft Notification thereon, as it appears in the Gazette proof, was circulated to the Health Committee for approval. Two members of the Committee however expressed doubts whether the Council could enforce the regulations. The Secretary explains that they will form part of the dairy licence conditions from April 1, 1935, and can be enforced in the same way as the other conditions. Further, two medical members suggested that fodder, instead of being supplied by the importer, should be supplied by the Council and a charge made therefor, since fodder may be a source of contagion.

The Commissioner of Public Health entirely disagrees with this view. He states that it would be difficult for the Council to supply the varieties of fodder which would be required from time to time, and as the fodder which the regulations require the importers to supply is within the country there is no possibility of it bringing infection from outside.

Members adopt the view of the Commissioner of Public Health, and it is directed that no change be made in the regulations as drafted.

The meeting adjourns at 5.50 p.m.

(Handwritten signature)

Chairman.

(Handwritten signature)
Secretary.

At the meeting of the Council held on Wednesday, December 12, 1934, at

4.30 p.m., there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 O. Okamoto
 Tsuyee Pei
 T. Yamamoto
 L. T. Yuan
 Yu Ya Ching

The Treasurer & Controller
 The Chairman of the Ricscha Board, and
 The Secretary.

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

Nanking Road Widening - Cadastral Lot 508, C. - The Chairman states that it is understood that the Lester Trust has consented to the alterations undertaken by the Ta Hu Bank.

Prevention of Smuggling. - The Chairman states that the Customs Authorities have acquiesced in the arrangements proposed by the Council for the enforcement of the Customs Preventive Law in the Settlement.

Quarantine Regulations. - The Secretary states that foot and mouth disease has just been discovered in cattle coming from Anhwei and Kiangsu Provinces, and the Ministry of Industry, the Shanghai City Government and the French Municipal Administration are co-operating with the Council's Health Department in the adoption of measures for stamping it out. A notice will appear in to-morrow's press regarding the action to be taken; imports may be restricted for a few weeks and during that period the price of meat may be increased.

The Minutes of the meeting of the Finance Committee of November 27 are submitted and confirmed.

In the matter of Refusal to pay Special Rate in Northern External Roads Area Mr. Harris suggests that decision be deferred until the next meeting of Council. Many residents besides those referred to do not pay the Special Rate and some are paying rates on an absurdly low scale. In these circumstances he is reluctant to agree to the withdrawal of educational privileges as a means of enforcing payment from those who can take advantage of them, as he considers this course inequitable. He is of the opinion

that the question of the collection of rates in the external roads area should be given more general consideration.

The Chairman states that the recommendation was based on very careful consideration by the Finance Committee which could find no alternative to the proposed action without which it might become impossible to collect the Special Rate from other residents.

The Treasurer & Controller states that Mr. de Garcia, the person primarily concerned, is quite able to pay the Rate and that the occupants of the adjoining premises are already paying it.

Mr. Harris expresses the opinion that if Mr. de Garcia is aware of the facts of the case he is in a position to enter a strong protest which would put the Council in a most difficult position.

The Chairman is unable to agree that there are any strong grounds for such protest, and mentions the fact that Mr. de Garcia had previously signed an agreement to pay the Special Rate. The Treasurer states that one resident, who originally made his own arrangements for public utility services, has a specially low assessment on his house, as mentioned by Mr. Harris, but that such a case is quite exceptional. The Secretary adds that unless action were taken the payment of Special Rate would become entirely optional.

Members endorse the recommendation, and it is decided to issue a statement thereon in the Gazette.

The Minutes of the meeting of the Staff Committee of November 30 are submitted and confirmed.

The Minutes of the joint meeting of the Watch and Staff Committees of December 7 are submitted and confirmed.

Country Hospital Board - Mr. T. Yamamoto's Resignation. - Mr. Yamamoto's resignation necessitates the appointment by the Council of a successor who is not

C.S.: a medical practitioner. The Chairman states that Mr. G. Kashida, a medical officer attached to the Japanese Consulate, has been nominated by Mr. Yamamoto to fill the vacancy, and it has to be decided whether he is qualified therefor under the terms of the Deed of Gift. The Secretary states that it has been the practice to maintain a balance between the professional and non-professional members of the Board. He is unable at the moment to say whether Mr. Kashida is eligible for appointment.

On the Chairman's suggestion it is agreed to defer consideration of this matter until it has been further investigated by the Secretary.

Ricsha Board's Report for November. - The report of the Ricsha Board is submitted to members.

Ricsh
The Chairman states that the only point calling for consideration appears to be the question of reducing the authorized hire charge for public ricschas from 78 cents big money a day to 80 cents small money. It was anticipated that the reduction would be made on January 1, 1935, but in view of the certainty of opposition by the owners the Board would prefer

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December 12, 1934.

to postpone the reduction until about May, when it is likely that the licensing of pullers will be completed and the Board will be in a stronger position to enforce the new charge. In the Chairman's opinion some discretion should be allowed to the Board which is handling the matter.

Mr. Harris enquires whether May 1 is the earliest date on which a reduction can be made.

Mr. Massey replies that the licensing of pullers cannot be completed until then, and that it will be possible to define the position more accurately in the early months of 1935. He emphasizes the fact that it will be easier to complete the licensing of pullers before than after the next reduction in hire charges.

It is agreed to defer the matter for the present and await a definite recommendation by the Ricsha Board.

The Chairman of the Ricsha Board withdraws.

The Minutes of the meeting of the Staff Committee of December 7 are submitted and confirmed, with one amendment.

done
Kesh In the matters of Press Information Office and Ricsha Board - Remuneration, Mr. Franklin expresses the opinion that even before the expiration of two years the Council might further consider the question whether the benefit derived by the public from the operation of the Press Information Office is commensurate with the expenditure thereon. He thinks a full report by the Secretary would be useful.

Brig.-Gen. Macnaghten differs from the views of the Staff Committee regarding increases of pay to the personnel of the Press Information Office and the Ricsha Board. Firms in Shanghai have made substantial reductions in the salaries of their staffs, and he is unable to appreciate the necessity for granting to Council employees in these times of financial stress any increases not provided for in the Terms of Service. Apparently there is some doubt whether the Press Information Office is worth the money expended on it, and he has the same feeling in respect of the Ricsha Board.

Mr. Franklin states that, in recommending an increase of Tls.150 per mensem in the pay of the Press Information Officer, the Staff Committee took into consideration the fact that Mr. Burton Sayer left the editorial chair of the "Shanghai Times" to organize and manage the new office, which he has done with marked ability. It was also expected that if the office was continued he would be entitled to an increase of salary. As regards the Ricsha Board the Committee was influenced by the fact that at the time the appointments were made higher salaries had been contemplated and that the work of the Board has in practice justified higher salaries than those actually awarded. These members are working full time and often over-time.

The Chairman states that he is not aware of any desire at present to abolish the Press Information Office though he is of the opinion that it might be reorganized to bring it into line with the other Departments. As regards the Ricsha Board he considers that, while there are reasons for

restricting any general increase in the pay of the Council's staff, it is necessary to consider each case on its merits and make such exceptions as the responsibilities of particular offices require.

Mr. Carney states that he is less opposed to the increases recommended for the Ricscha Board than to those for the staff of the Press Information Office, whose present pay he considers adequate, or possibly more than their services warrant. This applies particularly to the Assistants engaged mainly on translation work who are receiving Tls.550 per mensem each.

The Secretary refers to his doubts, as expressed to the Staff Committee, whether the Press Information Office was established on economical or entirely sound lines. However, when the Council did establish the Office it actually invited the editor of a leading Shanghai newspaper and two first class journalists to leave their posts and join the Council's staff, notwithstanding the feeling that persons of such high standing were not required as assistants, and having done so it has to consider to what extent their services should be recognized.

Mr. Harris is inclined to the belief that information regarding Council matters could be given to the public by the staff of the Secretariat under the direction of the Secretary, and it might be better to consider this possibility now than in two years' time.

The Treasurer & Controller agrees that the work of the Press Information Office, like certain other new activities of the Council, is costing more than was originally contemplated, but as things are he considers that it would be difficult, without adequate notice, to treat the personnel differently from the staff of other Departments.

Mr. Harris withdraws his suggestion.

The Treasurer & Controller states that he understands the Secretary General handled the matter and arranged the terms of engagement of Mr. Burton Sayer.

The Chairman suggests that in this case it might be better to await the return of the Secretary General in the first half of January and ask him to explain the position.

Members agree that, as the staff of the Press Information Office has been given to understand that the Council has approved of their services, the proposed increases of pay should not be withheld. On the proposal of Mr. Lambe it is accordingly,

RESOLVED that increased pay as recommended by the Staff Committee be granted to the Press Information Officer and the Chinese and Japanese Press Officers, and that the question of the advisability of continuing the Press Information Office in its present form be reviewed in the course of a year.

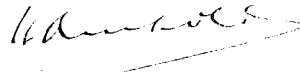
Regarding the Ricsha Board members generally agree that a good case has been made out for the proposed increase in remuneration. The Committee's recommendation is therefore confirmed.

f 3/8
Motor Omnibuses - Smoke Nuisance. - Mr. Franklin calls attention to the fact that omnibuses continue to emit clouds of black smoke, though the Council was previously informed that the nuisance would stop. The Secretary states that the matter will be brought to the notice of the Commissioner of Police and the Company.

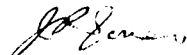
24/12/1
Nanking and Honan Road Widening - Cadastral Lot 160, C. - Mr. Franklin enquires what progress is being made regarding the surrender of a portion of Cadastral Lot 160 for the scheduled widening of Nanking and Honan Roads.

The Secretary replies that the amount of the compensation to be paid is in dispute and will be considered by the Land Commission at a meeting provisionally fixed for January 10, 1935.

The meeting terminates at 5.30 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Thursday, December 27, 1934, at

4.30 p.m., there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 E. Y. B. Kiang
 W. P. Laabe
 J. H. Liddell
 Tsuyee Pei
 T. Yamamoto
 L. T. Yuan
 Yu Ya Ching
 The Commissioner of Police
 The Treasurer & Controller
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. S. L. Hsu
 O. Okamoto.

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

F/1 Refusal to pay Special Rate in Northern External Roads Area. - The Chairman states that Mr. de Garcia has paid the Special Rate on his premises under protest.

C/1 Country Hospital Board - Mr. T. Yamamoto's Resignation. - The Chairman states that it has transpired that Mr. G. Kashida is not qualified under the Deed of Gift to succeed Mr. Yamamoto on the Board of Governors. A further recommendation will therefore require to be made.

The Minutes of the meeting of the Finance Committee of December 11 are submitted and confirmed.

S-1/6 With reference to Loan Matters, the Treasurer & Controller, in reply to the Chairman, states that about half the 1924 6% Loan of Tls.5,000,000, to be redeemed on December 31, has been converted, and that the option of conversion is likely to be taken up by a few more holders in the outports. He considers that the result is not unsatisfactory considering the present financial situation. Repayment of the balance of the Loan, approximately \$3,500,000, will be financed by other means. In normal times this would be simple, but banking current account facilities are practically non-existent at the present time. Silver credits are not obtainable. In addition to the Council's substantial account with its bankers it has been necessary to have recourse to

a credit of 2200,000 which was arranged in London early in 1933 for the purpose of Budget stabilization or other unforeseen contingency. Against this credit the Council's bankers, the Hongkong & Shanghai Bank, will make an advance in sterling at 3 $\frac{1}{2}$ %. Before adopting this course, which involves exchange transactions, the Treasurer & Controller approached the National City Bank and the P. & O. Bank, from both of which banks the Council has previously arranged temporary borrowings falling due for repayment shortly after the Chinese New Year. It was necessary to take a long view in the matter so that an extension could be provided for if necessary. The National City Bank offered additional facilities on practically the same terms as those arranged with the Hongkong & Shanghai Bank. He further ascertained from the Council's Compradore that funds from Chinese sources were not available. By the means referred to the necessary funds will be available though it is a serious matter to have to convert a sterling credit to silver for this purpose. If however repayment is made by the Council on contract dates the cost of this measure will approximate 1% in excess of the return on Sinking Fund investments retained, bringing the total cost of the accommodation to approximately 7%.

The Minutes of the meeting of the Traffic Committee of December 14 are submitted and confirmed subject to one amendment entered subsequent to circulation to members.

In the matter of Traffic Regulations - Proposed Amendments Mr. Lambe states that, in accordance with his suggestion in meeting, endorsed by the other members of the Committee, he has arranged for a conference between the Chairman (Mr. Hughes), the Chairman of the Watch Committee and himself on the general questions of parking facilities and one-way traffic. These preliminary discussions are considered advisable as the traffic questions referred to may have a political aspect.

As regards the proposed restriction of parking on the South side of Bubbling Well Road between Tibet and Mohawk Roads, Brig.-Gen. Macnaghten observes that it was only two or three years ago that bays were cut in the pavement with the object of providing additional parking accommodation. The Secretary explains that this was done when Mr. A. J. Hughes was a member of Council as an alternative to the much more expensive remedy, urged by Mr. Hughes, of culverting the creek. The provision of the bays was persistently opposed by the Automobile Association and the plan has met with a good deal of opposition since.

Mr. Lambe states that figures have shown that the traffic in this section of the road between noon and 1 p.m. is exceptionally slow, largely owing to stoppages which occur when cars slow down before entering the parking places. Brig.-Gen. Macnaghten is of the opinion that the stream of cars entering Manking Road contributes to the delay.

8/2/4
In the matter of One-Way Traffic in Hankow Road Mr. Lambé states that since circulation of the minutes the words "as an experimental measure" have been inserted in the recommendation that Traffic Regulation No. 46 E be amended to exempt rickshas from observance of the one-way traffic rule in a section of Hankow Road during certain hours. The addition of these words is approved.

The Chairman expresses his opinion that the experiment will destroy the benefit now derived from the one-way rule but in view of the Committee's recommendation agrees that it should be tried as an experimental measure.

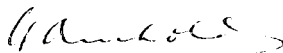
Mr. Harris is of the opinion that very little space will be left between the motor traffic and the curb, and agrees with the Chairman as to the detrimental effect of this concession to rickshas. He considers that under the existing Regulation rickshas can easily reach any desired point in the section to which it applies by joining in the traffic at the appropriate place.

Mr. Lambé states that the result of his own enquiries supports the contention of Mr. Hsi, a member of the Traffic Committee, that the Regulation has definitely kept customers away from shops in Hankow Road. The psychology of the Chinese public should be taken into account. Mr. Kiang concurs, and members approve the Committee's recommendation.

8/2/4
In the matter of Motor Freight Vehicle Regulations Mr. Lambé expresses doubt whether such support would be given by the French Administration to the licence condition amendments proposed by the Committee or under consideration by the Departments.

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

The meeting terminates at 5.20 p.m.



Chairman.



Secretary.

2

I N D E X

M I N U T E B O O K

NO.39

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Z.

At the meeting of the Council held on Wednesday, January 9, 1935, at 4.30 p.m.

there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 O. Okamoto
 Tsuyee Pei
 T. Yamamoto
 Yu Ya Ching
 The Treasurer & Controller
 The Chairman of the Ricscha Board
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Mr. L. T. Yuan.

The Minutes of the last meeting are confirmed, and signed by the Chairman.
Ricscha Board's Report for December. - The report of the Ricscha Board is
 K25/1 submitted to members.

The Chairman alludes to the statement that the Board contemplates having to use to the full its powers of non-renewal of licences to such owners as fail to satisfy the Board of their genuine observance of the hire charge tariff authorized. He trusts that the Board will not take this step without adequate evidence of non-compliance.

Mr. Massey replies that if the Board refrains from taking action except in cases where irrefutable evidence is forthcoming nothing will be done to check the abuse which is known to exist. He understands that the Board has ample powers to enforce the Council's rules by declining to renew a proportion of the licences, even without such full and concrete evidence as would be accepted in a Court of Law. The Board is morally certain of the abuse referred to, and has checked and rechecked the evidence, but cannot get the pullers to testify for fear of losing their employment. On a previous occasion licences were suspended for a month or fines were accepted as a compromise. He agrees with Mr. Liddell that action will be easier when more pullers have been licensed, but to defer action until then would make the Council's rule a dead letter.

January 9, 1935.^{2.}

The Chairman presumes that the Board will in the first instance take a few test cases for enforcement of the hire charge rule.

Mr. Massey states that a few cases are under review now. The Board further finds itself held up by the owners' failure to co-operate as evidenced by the fact that they are returning only about 40 nominations a day instead of 400 and by their demand that pullers going away shall deposit their licences with them. He has told them that the Council would in these circumstances be justified in withdrawing 10% of their ricscha licences at the end of January. The owners' explanation that the pullers are not keen on being nominated for licences is not believed to represent the facts of the case.

Mr. Harris suggests that the Board should issue a notice that the action referred to by Mr. Massey will be taken if necessary, or alternatively that the public ricscha business will be transferred to a Company in accordance with Recommendation 1 of the Ricscha Commission.

Mr. Massey observes that the formation of a Company to operate 2,500 ricschas would take some time.

Mr. Lambe enquires whether, if pullers are licensed direct by the Council, they will be able to get ricschas. Mr. Franklin does not anticipate any difficulty in this respect, though the Chairman considers that there is no certainty that the pullers will be provided for. Mr. Massey considers that the experience of August last shows that there would be no difficulty in finding new owners to take up forfeited licences.

After some further discussion it is

RESOLVED that the owners of public ricschas be informed by the Ricscha Board that, unless the registration of ricscha pullers shows a marked improvement immediately and maintains such improvement to the satisfaction of the Board, a percentage of their ricscha licences up to 10% will be withdrawn and reissued to new owners who are willing to comply with the Council's regulations.

The Chairman of the Ricscha Board withdraws.

L 7 | 1
Appointment of Land Commissioner. - Members are informed that under Land Regulation VI A the Council is required to appoint a Land Commissioner each year. Mr. H. Berents, who has been the Council's appointee for the past five years, is willing to continue to serve in that capacity.

On the proposal of the Chairman it is

RESOLVED that Mr. H. Berents be re-appointed as a Land Commissioner for the Municipal year 1935-6.

G 5 | 13
Shanghai Power Company's Franchise in the Western District. - In a memorandum submitted the Secretary states that the Council was informed on January 5 that an agreement had been concluded on the previous day between the City Government and the Western District Power Company of Shanghai, an

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American corporation, under which the Company was given a franchise for the supply of electricity to premises in the Western extra-Settlement area formerly covered by the Shanghai Power Company's franchise. Attached thereto is an explanatory memorandum by the President of the Power Company, the main points of which are as follows:-

Upon taking over the Council's electricity undertaking in August, 1929, the Shanghai Power Company was given an exclusive franchise for the supply of electricity to outside properties which were subject to taxation by the Council. From June 2, 1930, the Shanghai City Government enforced discontinuance of new work and repairs in these areas, and no redress was obtainable. Subsequently a modus vivendi was reached permitting the execution of urgent repairs and the maintenance of existing equipment. The service in the western area necessarily failed to give satisfaction and the demands of 500 premises therein requiring electricity could not be met. Simultaneously the mains of the Chapel and Nantao companies were carried across the Council's roads, contrary to the Council's rights and protests, and in 1929 these companies were granted provisional franchises in the western area by the Chinese authorities. Being debarred from further extensions and menaced by the encroachment of the Chinese companies, the Shanghai Power Company confronted the loss of the use of a portion of its generating plant, transmission lines and equipment whose value exceeded \$18,000,000, and the Council was in process of losing royalties on the sale of electricity. The Company therefore sold its equipment in the western area to the Western District Power Company of Shanghai, which obtained a franchise from the City Government on January 4 and has arranged to take over the business and equipment of the Chinese companies. The new Company has undertaken to purchase electricity from the Power Company on bulk supply terms. The arrangement greatly benefits the Power Company, its consumers and the Council.

The Secretary states that this information is presented to the Council prior to consideration by the Public Utilities Committee in a few days' time. He informs members that it has been known for some time that most of the public utility companies were negotiating with the City Government for franchises in the outside roads areas. He was from time to time kept informed by the Telephone Company and by the Waterworks Company, but he had no knowledge at all of the trend of the discussions of the Power Company until October, 1934, when discussions on the Extra-Settlement Roads were resumed. On November 6 he wrote to Mr. P. S. Hopkins, President of the Power Company, drawing attention to the relation between the Extra-Settlement Roads negotiations and the operation of the public utility services on the outside roads and offering to give all available information thereon. He also drew attention to the relation of the Power Company's negotiations to their franchise agreement with the Council. Next day Mr. Hopkins called and said that the negotiations of his Company had reached an advanced stage,

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and produced confidentially and informally a draft agreement substantially the same as the one now completed. The Secretary informed him of a few of the difficulties involved, i.e., those relating to the use of the Council's roads and the payment of royalties to the Council, and also the provision in Section XXXIV of the agreement for the discontinuance of service where the consumer refuses to pay rates and taxes to the City Government. Mr. Hopkins said he would do his best in negotiating on these points with the Chinese authorities. Nothing further was heard from the Power Company until Mr. Hopkins called on January 5 and gave him two copies of the agreement concluded with the City Government, by which time the purchase money had been paid. The Secretary again explained to Mr. Hopkins the difficult position of the Council, whose consent to the franchise had not been given. Mr. Hopkins referred to the circumstances of the entry of the Nantao and Chapel companies into the field and stated that it was necessary for his Company to sign the agreement when it did or permanently lose its rights in the western area. He then handed in the memorandum which has been circulated to members. On January 8 the Secretary addressed a letter to the Company stating that the Council must reserve all its rights under its agreement of August 8, 1929, with the American and Foreign Power Company, Inc., and the Shanghai Power Company, and that pending the satisfactory settlement of the issues involved the Council could not recognize any agreement of the latter Company affecting such rights or approve any act of the Western District Power Company.

The Secretary indicates areas covered by the agreement as shown in the annexed map. The new franchise is for 30 years, at the end of which, or after due notice at the end of any subsequent 10-year period, the City Government is permitted to purchase the undertaking at a valuation. The agreement deviates in several particulars from that of 1929, and these points will be submitted to the Public Utilities Committee. A letter from the City Government to the new Company, included in the agreement, permits the deduction from payments to the former of the Council's royalties not exceeding 5% on gross receipts from the sale of electricity to premises within 100 metres of any Council road within the franchise area.

The Chairman states that he has not yet read the agreement and that pending further consideration nothing can be done. It is obvious that the anomalous position which has arisen must be adjusted as soon as possible, and the only means of doing so is by concluding the agreement for the Outside Roads. He states, for the interim information of members, that the Council and the City Government have now agreed on all points which are covered by the draft agreement, but there is still some difference of opinion between the Japanese and Chinese authorities, and whilst a certain time has been allowed to elapse in the hope of reaching a satisfactory conclusion the position which has now been created makes it essential that a time limit should be placed on the negotiations. He hopes that the Council will be

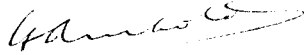
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satisfied with this statement and not press for further details which would not facilitate the negotiations which are now proceeding.

Replying to enquiries by several members the Chairman repeats that full consideration of the new franchise will not be possible until it has been studied further and reported on by the Public Utilities Committee.

Death of Mr. Vilhelm Meyer. - The Chairman refers with regret to the death of ^{M/3} of Mr. Meyer on January 8, and states that he has written to Miss Meyer expressing the Council's sympathy and its appreciation of the services rendered by him to the community.

The meeting terminates at 5.20 p.m.



Chairman.

J. R. Jones
Secretary.

At the meeting of the Council held on Wednesday, January 23, 1935, at 4.30 p.m.

there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 W. P. Lambé
 J. H. Liddell
 O. Okamoto
 Tsuyee Pei
 T. Yamamoto
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

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

The Minutes of the meeting of the Public Utilities Committee of January 14 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of January 15 are submitted and confirmed.

The Minutes of the meeting of the Education Board of January 16 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of January 18 are submitted and confirmed.

K16/4 In the matter of Noise Nuisances Mr. Harris suggests that action should be taken in the case of radios and bands used by shops to attract customers if they really constitute a nuisance. He is of the opinion that these noises sometimes make it impossible to hear warning signals and therefore endanger traffic. The Secretary General states that there is no such offence as "nuisance" in Chinese law. He thinks it inexpedient to endeavour to apply the Chinese Police Regulations. It is decided that no action should be taken.

K25/1 In the matter of Ricsha Board - Withdrawal of Licences the Chairman states that an agreement has been reached with the Ricsha owners and that the licensing of pullers is proceeding. He is of the opinion that the Ricsha Board should not adopt the course of withdrawing a percentage of the licenses of existing owners without further reference to the Council.

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H/2/11
In the matter of Annual Estimates - Volunteer Corps - Ordinary Expenditure Brig.-Gen. Macnaghten refers to the compromise recommended by the Committee under which provision is made in the preliminary estimates for one Adjutant instead of two as desired by the Commandant.

Mr. Franklin considers that the expense of an additional Adjutant is not warranted at the present time. A second Adjutant would probably render the Corps more effective, but this line of reasoning could be carried to the point of having regular army officers for all posts. The Corps adequately fulfilled its purpose in the troubles of 1924, 1925 and 1927. In 1924 only the Commandant and two warrant officers were army men; now there are six regular army officers and about four warrant officers.

In the ensuing discussion diverse views are expressed as to the extent to which volunteer officers are now able to devote the necessary time to the intensive training which a high state of efficiency demands, and as to the relative appeal to prospective recruits of training by volunteer officers or by regular army officers. By a majority vote it is decided to retain the provision in the estimates for one Adjutant only.

K/2/11
Ambulances. - Mr. Lambe refers to reports in the newspapers that a Fire Brigade ambulance proceeded on January 22 to a point six miles beyond the Whangpoo River on the Hangchow highway. He is of the opinion that these machines should be forbidden to go to distant points unless they are insured.

After brief discussion it is

RESOLVED that the Fire Brigade ambulances be authorized to proceed to points outside the area under the Council's control in case of necessity subject to their being adequately insured.

F 5/11
F 6/11
Election of Councillors and Annual Meeting of Ratepayers. * It is proposed that Monday and Tuesday, March 25 and 26, be suggested to the Consular Body as suitable dates for the election of Councillors, and Wednesday, April 17, for the Annual Meeting of Ratepayers, the time to be 5 p.m. as in 1934.

As regards the place and time of the Annual Meeting the Chairman is of the opinion that the Carlton Theatre, which was found to be of ample size last year, should again be used, and that the meeting should be convened at 5 p.m. as before.

It is thereupon

RESOLVED (1) that it be suggested to the Consular Body that the election of Councillors take place on March 25 and 26, and that the Annual Meeting of Ratepayers be held on April 17, and (2) that the Carlton Theatre be engaged for the Annual Meeting of Ratepayers to be convened on April 17, at 5 p.m.

8/2/11
Shanghai Telephone Company - Toll Traffic Agreement. - The Secretary states that he has this morning received a letter from the President and General Manager of the Telephone Company, submitting for the Council's approval a draft agreement between the Chinese Government Telephone Administration and

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the Company under which, instead of the 5 cents received for each call to or from the Company's system in accordance with an agreement which has now expired, the Company will obtain 10% on outgoing calls and 5% on incoming calls with a minimum of 5 cents and a maximum of \$1.50 per call. The Secretary states that the agreement would settle a long standing dispute which does not appear to effect directly the Council or the telephone subscribers, and suggests that the Council should give a somewhat free hand to the Company in this matter. The Treasurer & Controller concurs.

RESOLVED that the Shanghai Telephone Company be permitted to enter into an agreement with the Chinese Government Telephone Administration for the adjustment of tolls and be given a free hand provided that no worse terms are obtained than those set out in the Company's letter of January 22 to the Council.

The meeting terminates at 5.25 p.m.

H. A. ...

Chairman.

J. J. Jones
Secretary.

At the meeting of the Council held on Thursday, February 7, 1935, at 4.30 p.m.

there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 Tsuyee Pei
 T. Yamamoto
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

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

K3/11 Ambulances. - The Chairman states that it has been ascertained that Fire Brigade ambulances traversing the roads outside the limits of the Council licence control are fully covered against all risks under existing insurance policies.

8/2/12 Shanghai Telephone Company - Toll Traffic Agreement. - The Chairman states that the Telephone Company has entered into an agreement with the Chinese Government Telephone Administration for the adjustment of tolls on the lines reported to the Council at the last meeting.

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

8/5/12 In the matter of Western District Power Company of Shanghai - Franchise Agreement the Chairman states that the Treasurer & Controller has come to a tentative agreement with Mr. J. K. Choy, Finance Commissioner of the Shanghai City Government, whereunder rates and royalties accruing to the Council in the western area are protected, and that this arrangement, which appears satisfactory, awaits confirmation by the Mayor.

It is explained by Mr. Carney that the proposed letter to the Shanghai Power Company on the subject of the new franchise is to be sent only after a draft has been submitted to the Public Utilities Committee and with the consent of the Council. Mr. Franklin suggests that before it is sent the whole question be threshed out, when it may be found that there is no cause for censure and that any such letter might raise legal questions into which it would be inexpedient to enter. -

4/2/16
In the matter of Shanghai Telephone Company - Application for Revision of Tariff Mr. Harris suggests that there are good reasons for publishing such applications before they are given detailed consideration as the Council would then have the benefit of public and press comment thereon. The Secretary would prefer to delay publication until the matter has come before the Public Utilities Committee. He considers that the matter is so complicated that the full application would not be generally understood and that early publicity might result in unnecessary discussion and alarm. Mr. Carney states that he understands that the Telephone Company contemplates publishing the first part of the application relating to the substitution of a message rate for the present flat rate and expresses the opinion that there would be no objection to this course. The Secretary suggests that the substance of the proposals, as set forth in an understandable form in the minutes of the meeting of the Public Utilities Committee recording the discussion, be communicated to the press after confirmation by the Council. Members approve this course, but agree with the Chairman that there would be no objection to the Telephone Company publishing a summary in advance.

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

11/3/35
In the matter of Public Health Department - Mr. P. S. Page - Accident Case Brig.-Gen. Macnaghten states that he does not oppose payment of a contribution towards Mr. Page's hospital expenses provided the concession is not quoted as a precedent, but that he is unable to understand why a payment of \$50 was recommended instead of the full amount of \$71.50. Mr. Franklin replies that the Committee was following precedent in proposing a compromise. After brief discussion payment of \$50 is approved, in view of the disclaimer contained in the second part of the recommendation.

K5/R
Chinese Art Exhibition. - The Chairman states that the Preparatory Committee of the Chinese Art Exhibition, London, has decided to hold a preliminary exhibition of objects of art in March in the building vacated by the Bank of China and has asked the Council for special protection. Having regard to the views of the Commissioner of Police it is proposed to inform the Committee that special protection will be afforded without charge but that no responsibility for the safety of the art objects can be accepted. It is also proposed to inform the Committee that it will be necessary to conform to the requirements of the Public Works Department and the Fire Brigade. Members approve this course.

K36/1
Armed Robbery at P. W. D. Workshops. - The Chairman states that all the money stolen from the P.W.D. Workshops on February 1 has been recovered. The Secretary adds that recovery of the money was facilitated by prompt action by a Sikh civilian, a P.W.D. watchman and a Chinese constable.


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February 7, 1935.

In reply to a member's suggestion that suitable rewards might be made he states that the question will be brought to the attention of the Commissioner of Public Works and the Commissioner of Police.

The meeting terminates at 5.10 p.m.



Chairman.



Secretary.

At the special meeting of the Council held on Thursday, February 14, 1935,

at 5 p.m. there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 S. L. Hsu
 W. P. Lambe
 J. H. Liddell
 O. Okamoto
 Tsuyee Pei
 T. Yamamoto
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Messrs. C. S. Franklin
 E. F. Harris
 E. Y. B. Kiang.

Extra Settlement Roads - Municipal Taxation. - The Chairman alludes to his statement at the last meeting that the Treasurer & Controller had come to a tentative agreement with Mr. J. K. Choy, Finance Commissioner of the Shanghai City Government, whereunder rates and royalties accruing to the Council in the western area are protected.

Fy/6
45/14

The terms of the initialled draft agreement submitted for confirmation by the Council are briefly as follows:-

(1) As regards premises erected after January 4, 1935, beyond the 100 meters general demarcation line, as shown on the official plan to be settled, which participate in the drainage and/or sewerage systems constructed and operated by the Council, the Shanghai City Government will in consideration of these services remit to the Council an amount equal to a fixed 2% from the Municipal Rate levied on such premises. The Rate levied on new premises within the 100-meter line will accrue to the Council until a mutual agreement is reached and implemented between the two parties forming a modus vivendi for the administration of the Extra-Settlement Roads.

(2) After the modus vivendi comes into operation the Municipal Rate on premises beyond the 100-meter line participating in the Council's drainage system, payment of which has hitherto been made to the Council, will continue to be made to the Council, which shall retain 2% for the use of its drainage system and remit the remaining 10% to the Shanghai City Government. The amounts so retained by the Council together with the sums

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remitted to the Council under section (1) shall be placed to the credit of the Joint Budget Account referred to in Article 6 of the draft Agreement, in addition to the sums collected by the Council in respect of rates on properties within 100 meters of the road as shown on the official plan.

(3) As regards the area covered by the franchise of the Western District Power Company of Shanghai, royalties on the sale of electricity shall, until the *modus vivendi* comes into operation, be paid to the Council in respect of all existing premises and new premises within the 100-meter general demarcation line and of such premises beyond the line as have hitherto been supplied with electricity by the Shanghai Power Company. Premises beyond the 100-meter line erected after January 4, 1935, are excluded from this arrangement.

(4) Nothing contained in the agreement of January 4, 1935, between the Shanghai City Government and the Western District Power Company of Shanghai shall affect the above conclusions or the *locus standi* in respect of Municipal taxation on Extra-Settlement Roads up to the date on which the *modus vivendi* comes into operation.

In reply to the Chairman the Treasurer & Controller offers the following explanations: Clause (1) originated in the discussions on the Outside Roads Agreement. The 2% contribution for drainage and sewerage services was agreed to after consideration of their value. In the course of the negotiations Mr. Choy made it clear that he was quite prepared to go into financial details and accept such arrangement as would be agreeable to both parties and he would endeavour not to disturb the *locus standi*. The most important conclusion is that contained in clause (4) in which the provisions of the preceding clauses culminate. The demarcation line referred to has been made use of for the purpose of determining the reasonable apportionment of taxes until the Outside Roads Agreement comes into force as this represents the division of areas contemplated in the Outside Roads Agreement, and it is provided that the *locus standi* as on January 4 shall be maintained till then. The Council will continue the undisputed collection of taxes in all areas where it has hitherto collected them. Letters have been exchanged confirming the spirit and intention of the draft agreement. If this is endorsed by the Council it will go a long way towards facilitating a final settlement.

The Chairman states that there is a temporary setback in the Outside Roads Negotiations, but that this may only mean that the Chinese authorities are waiting for the Council's concurrence in the proposals regarding Municipal taxation.

It is thereupon

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RESOLVED that the tentative agreement reached between the Treasurer & Controller and the Commissioner of Finance, Shanghai City Government, dated January 30, 1935, on the subject of Rates and royalties in the Extra-Settlement Roads areas be approved.

The meeting terminates at 3.15 p.m.

W. H. ...

Chairman.

J. H. Jones.
Secretary.

At the meeting of the Council held on Wednesday, February 20, 1935, at 4.30 p.m.

there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Maonaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 S. L. Hsu
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 O. Okamoto
 Tsuyee Pei
 T. Yamamoto
 L. T. Yuan
 Yu Ya Ching

The Commissioner of Public Works
 The Chairman of the Ricscha Board
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Mr. E. F. Harris.

The Minutes of the meeting of February 7 and of the special meeting of February 14 are confirmed, and signed by the Chairman.

In regard to the minutes of the special meeting of February 14 the Chairman states that it is understood that the tentative agreement referred to therein is approved subject to its being agreed to on the part of the City Government.

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

The Minutes of the meeting of the Works Committee of February 12 are submitted and confirmed. In the matter of Race Course Road and Tiendong Road the Commissioner of Public Works, at the request of the Chairman, indicates on a map the areas which it is proposed to acquire to complete the widening of the eastern end of Race Course Road and to make available for traffic the section of Tiendong Road between North Honan Road and North Chekiang Road.

The Minutes of the meeting of the Education Board of February 13 are submitted and confirmed.

The Minutes of the meeting of the Public Utilities Committee of February 14 are submitted and confirmed. In the matter of Shanghai Telephone Company - Application for Tariff Revision the Secretary states that, in accordance with the wishes of the Council and the Committee, a summary of the application has been issued to the press for release to-morrow, and will also be

published in the Municipal Gazette.

The Minutes of the meeting of the Watch Committee of February 15 are submitted and confirmed.

Ricsha Board's Report for January..- The report of the Ricsha Board is submitted *K.S.H.* to members. Replying to a question by Mr. Carney, Mr. Massey states that it is estimated that less than 500 public ricschas of the new type will be on the streets by the end of this year. Permission has been given to take into use some new ricschas of the old type, and this will continue up to May or June. Probably not more than 200 or 300 worn out ricschas will be condemned by the end of the year. Replying to the Chairman Mr. Massey states that the registration of pullers is far from satisfactory and amounts to only about 40 or 50 a day. Only about 8,200 pullers of public ricschas have been licensed out of a total of 40,000 and strong measures are required if the rate of licensing is to be increased.

As regards excessive hire charges Mr. Massey states that the situation is getting worse, and that some owners are charging nearly 95 cents a day instead of the authorized charge of 85 cents. It is proposed to take drastic action before long, as on a recent occasion. Evidence of overcharging has been received from many pullers and from two investigators, and sworn statements have been obtained.

As regards the rental and service contracts which the owners are forcing on the pullers Mr. Massey states that the tendency is to destroy the independence of the pullers. The Chairman presumes that this condition cannot be remedied until the registration of pullers is completed. Replying to a members' question the Secretary states that it is very difficult to interfere directly with any such contract between employers and employed. The Chairman suggests that the question might be considered of withdrawal of licences without reissue.

Members request Mr. Massey to submit before the next meeting a recommendation regarding steps to be taken to correct the irregularities which he has described. Mr. Massey states that he will do this, and suggests that the first step should be drastic action against those owners who have not used any of the nomination forms supplied to them.

Country Hospital Board - Successor to Mr. T. Yamamoto. - With reference to the *C.S.H.* statement at the meeting of December 27 members are informed that Mr. Yamamoto has recommended as his successor on the Board of the Country Hospital Mr. M. Shimadzu, General Secretary of the Japanese Y.M.C.A. in Shanghai. Members accept the nomination and it is

RESOLVED that Mr. M. Shimadzu be appointed to the seat on the Board of Governors of the Country Hospital rendered vacant by the resignation of Mr. Yamamoto.

The meeting terminates at 5.30 p.m.

J.R. Jones
Secretary.

W. Massey
Chairman.

At the meeting of the Council held on Wednesday, March 6, 1935, at 4.30 p.m.

there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 O. Okamoto
 Tsyue Pei
 T. Yamamoto
 L. T. Yuan
 Yu Ya Ching

The Commissioner of Police
 The Chairman of the Ricscha Board
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

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

The Minutes of the meeting of the Staff Committee of March 1 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of March 4 are submitted and confirmed with two exceptions. In the matter of Proposed Licensing of Milking Mares the Committee recommends that representations be made to the Chinese Government regarding the desirability of amending the Criminal Code to provide penalties for cruelty to animals. The Secretary suggests that it would be more appropriate for the societies for the prevention of cruelty to animals to make such representations than for the Council to do so. He suggests that the Society might approach the Chinese authorities in conjunction with such semi-official societies as the Nanking Society for the Prevention of Cruelty to Animals and through the local Chinese Authorities.

Mr. Franklin states that the question of propriety occurred to him, but that he did not think when the recommendation was made that there were sufficiently cogent reasons for not approaching the Chinese Government. Mr. Carney understands that the local Society made representations in that direction some time ago. Mr. Liddell suggests that this Society may not have any influence with the Government, and that it might be better for representations to be made through the Shanghai City Government.

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On the proposal of the Chairman it is decided that no representations be made by the Council on this subject to the Chinese authorities.

9-2/19
In the matter of Motor Freight Vehicle Regulations Mr. Harris enquires what would be the effect if any of the first of the Committee's recommendations under this heading on the free conveyance of children, etc., on freight vehicles. It appears to him that the prohibition against the conveyance of passengers for hire or reward was proposed in the interests of safety and that it should apply in all cases whether a charge is made by the licensee or not. Mr. Franklin agrees that the point is well taken. Mr. Liddell states that any amendment to the licence conditions prohibiting the conveyance of passengers whether charges are collected or not would have to be carefully worded, as all such vehicles are accustomed to carry persons in addition to the drivers.

Members agree that the matter requires further consideration, and while approving the restriction proposed by the Watch Committee it is decided to refer to the Traffic Committee the question of extending it to cover the case of persons carried without charge of any kind on motor freight vehicles and freight trailers.

Ricsha Board's Report for February. - The report of the Ricsha Board is submitted to members. In amendment of a statement made at the last meeting it is now estimated that 1,500 new model ricshas will be on the streets by the end of this year. In response to the request of members at the last meeting that recommendations be submitted regarding steps to be taken to correct certain irregularities it is suggested in the report (1) that a police campaign amongst pullers would have a very good effect in stimulating the registration and licensing of public ricsha pullers and (2) that, on the basis of nominations received up to March 15, 1,000 licences held by owners whose records of co-operation are worst be suspended, if found necessary, on April 1. As regards enforcement of the rule concerning hire charges to pullers, quite a noticeable effect has recently followed the temporary suspension of 15 ricsha licences.

In a letter submitted Mr. Harris urges that increased efforts be made to overcome the obstruction of ricsha owners to the reduction of hire charges and improvement in the type of ricsha plying for hire. He also denounces the contracts which the owners are requiring the pullers to sign. He therefore proposes adoption of Recommendation No.1 of the Ricsha Committee that 2,000 ricsha licences be transferred from the present owners to an organization willing to comply with the regulations, if possible from July 1, next.

Replying to the Chairman Mr. Massey states that there has been a steady increase in the number of public ricshas^{pullers} licensed in the last four working days, rising to 428 on March 5, as the result of pressure applied

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by the Ricscha Board, and that if the increase is maintained the result will be quite satisfactory.

The Chairman does not agree with Mr. Harris's proposals. He states that when the reforms were initiated opposition was anticipated and progress was expected to be slow. Punitive measures have had their effect and should be continued where necessary, while support should be given to owners who comply with the regulations; but if precipitate action were taken the owners might organize a strike and throw large numbers of pullers out of work. The Council has already authorized the Ricscha Board to take certain measures, and these have borne fruit. The position might be met by extending the suspension of licences, and until the possibilities of this plan have been exhausted it would be unwise to take any more drastic action.

The Commissioner of Police agrees that caution should be exercised in order to avoid disturbances and increased unemployment. If 2,000 licences were transferred to an approved organization there would still remain 7,900 outside the Council's control besides large numbers of coolies. The Commissioner believes that many pullers have avoided registration through fear of vaccination and loss of work, and that conditions might be improved by further pressure on the owners.

The Chairman proposes as an alternative to the Board's suggestion for the suspension of 1,000 licences that a smaller number, say 500, should be permanently withdrawn, partly in fulfilment of the Council's previously expressed intention of relieving traffic congestion by reducing the number of ricschas on the streets. Mr. Massey would accept this solution, but Mr. Harris and Mr. Pei would prefer to transfer the licences to persons who are willing to co-operate with the Council, in order to minimize the danger of a strike. The Chairman however thinks that this would be likely to cause more trouble.

The Chairman states that the Council rejected Recommendation No.1 of the Ricscha Committee partly because if a franchise were granted to a Company it would tend to perpetuate a system which it was hoped to curtail or abolish.

Several members express their aversion to a policy of confiscation and reduction of licences as a means of coping with present difficulties. They consider that the traffic report of the problem should be treated separately and that full notice should be given before the introduction of any scheme of gradual elimination or reduction.

Mr. Massey adheres to the recommendation that licences be temporarily suspended, but suggests that owners be given the option of compounding by a payment, for each ricscha affected, to the Pullers' Mutual Aid Association, as was previously done. As a compromise he would ask for authority to suspend 500 ricscha licences on April 1 with the option of compounding. Mr. Harris is doubtful as to the legality of such procedure.

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The Chairman suggests that the Ricscha Board be authorized either to suspend up to 500 licences or to transfer to other owners who are co-operating with the Council up to 500 licences, and that the question of compounding be left to the Board's discretion.

Mr. Massey states that the action previously authorized by the Council was preceded by the issue of a communiqué, the terms of which were purposely made indeterminate, and that the effect was very good.

Replying to Mr. Massey the Commissioner of Police states that it would be feasible to conduct a registration campaign amongst pullers.

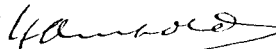
It is finally.

RESOLVED (1) that the Ricscha Board be authorized either to suspend up to 500 licences or to transfer up to 500 licences if the nomination of public ricscha pullers by the owners continues to be unsatisfactory, and that the Board be allowed discretion in the matter of allowing recalcitrant owners the option of compounding by the payment of fines, and (2) that the Commissioner of Police be authorized to conduct a campaign amongst public ricscha pullers to promote registration and licensing.

Pullers' Mutual Aid Association - Constitution. - The draft Constitution, which ^{R25/6} has been available for inspection by members, is summarized in a memorandum submitted.

RESOLVED that the draft Constitution of the Pullers' Mutual Aid Association be adopted.

The meeting terminates at 5.25 p.m.



Chairman.


Secretary.

At the meeting of the Council held on Wednesday, March 20, 1935, at 4.30 p.m.

there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 E. F. Harris
 S. L. Hsu
 E. Y. B. Kiang
 W. P. Lambe
 J. H. Liddell
 O. Okamoto
 Tsayee Pei
 T. Yamamoto
 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.

Kes/ Ricsha Board's Report for February. - In reference to the registration of public ricsha pullers the Chairman states that Mr. Massey estimates that if applications continue to be received at the present rate the number of licences issued up to the end of this month will reach 16,000.

The Minutes of the meeting of the Orchestra & Band Committee of March 7 are submitted and confirmed.

Exp/4 In the matter of Young People's Concerts the Secretary states that enquiries have been made regarding the extent to which free omnibuses would be used by children in the Northern District requiring transportation to the Lyceum Theatre and back, and that according to the Superintendent of Education the demand would be for not more than 50 or 100 seats. The hire of each omnibus for the return trip would cost the Council \$10 or perhaps \$9. He quotes a report on this subject by the Treasurer & Controller who opposes the provision of free transport as he considers that it would create a most undesirable precedent. The question has also been raised of the Council's responsibility for the safety of the children.

Members agree that, for the reasons stated, free omnibuses should not be provided, and it is directed that the Orchestra & Band Committee be so informed.

The Minutes of the meeting of the Library Committee of March 8 are submitted and confirmed.

The Minutes of the meeting of the Public Utilities Committee of March 11 are submitted and confirmed, with one exception.

4/4
In the matter of Shanghai Telephone Company - Application for Increase in Tariff Mr. Carney states that after discussion with the Treasurer & Controller he proposes the excision from the Recommendation of the words "that such tariff remain in force until March 31, 1937," and with this members concur. Mr. Carney explains that with this amendment the Council will be free to make such further changes in the tariff after the expiration of one year as it may deem fit, and this may become necessary if the more general adoption of the message rate system does not result in as great a diminution in the number of calls as the Company anticipates. Mr. Carney further states that it is intended to submit to the Council a revised tariff showing the precise charges to be made for each type of telephone, and until then he prefers to make no comment on the proposed adjustments.

The Chairman states that he would like the Committee to pay particular attention to the alterations to be made in the charges for business telephones, as it is undesirable that these should bear an undue proportion of subscribers' contributions to the increase in revenue.

Mr. Harris enquires whether information on this subject could be obtained from the Hongkong Telephone Company which he understands gives a cheaper service than the Shanghai Telephone Company. The Treasurer states that the main outstanding question is the manner in which the Telephone Company is to obtain the authorized increase in gross revenue of 12 $\frac{1}{2}$ %, and that it would cause delay to wait for figures from Hongkong, though he believes that the Hongkong tariff could be obtained if necessary from the Shanghai Telephone Company which quoted from it when applying to the Council for a revision of its own tariff. Members agree that the Hongkong tariff should be consulted.

Mr. Harris suggests that the Telephone Company's application to the Council should now be published in full. He doubts whether it can be regarded any longer as confidential. Members agree that fuller publicity would ease the minds of the public, and it is

RESOLVED that, subject to any reservations which the Shanghai Telephone Company may consider essential, its application of January 18, 1935, for permission to revise its tariff of charges together with the Council minutes on the subject, be published at an early date.

The Minutes of the meeting of the Education Board of March 13 are submitted and confirmed.

4/4
Prevention of Smuggling. - At the request of the Chairman the Secretary General explains the steps which have been taken to assist the Chinese Customs to prevent smuggling. In May, 1934, the Customs authorities enquired what would be the Council's attitude on the question of searching

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shops occupied by persons without extraterritorial rights in search of smuggled goods. It was obvious that any concession in the matter of searches under Chinese supervision would be in direct opposition to the Council's policy of refusing to allow offices established by any outside authority to exercise in the Settlement any functions proper to the Council itself. Moreover investigation showed that at that time there was no Chinese law against the possession of smuggled goods which could be enforced, and that smuggling generally was not a penal offence. In June the Chinese Government promulgated such a law, and in consequence thereof the Secretary General, before proceeding on long leave, discussed the matter with his associates and suggested that means might be found to render assistance on the same lines as that already accorded by the Council in the collection of the Rolled Tobacco Tax and the Stamp Tax.

During the Secretary General's absence conversations were carried on by the Secretary, and an agreement was proposed by which the Customs would consent to have the search for smuggled goods carried out by the Police by means of a special squad under conditions similar to those relating to the enforcement of certain Tax laws. As the Foreign Powers were interested the scheme was submitted to the Consular Body for approval or otherwise. At first there was some opposition based on misapprehension regarding the operation of the special squad, but this was removed and the official approval of the Consular Body has been obtained.

In conclusion the Secretary General states that the Council has always recognized the desirability of co-operating as far as possible with the Chinese authorities with the object of avoiding any grounds for complaint that the Settlement is allowed to be used as a base for smuggling.

Jessfield Park - Drowning Fatality. - Mr. Carney notes that the Parks Reports ^{X 11/18} for February, for publication in the next issue of the Gazette, makes no mention of the recent accidental death of a child who fell into the pond in Jessfield Park. He enquires whether precautions could be taken to prevent further fatalities.

The Secretary replies that in a special report on this subject, which has been circulated to the Works Committee, the Commissioner of Public Works has stated that it would not be possible to keep children away from the water by means of an ordinary fence and that it was essential that they should be attended while in the Park.

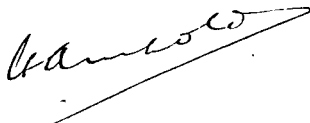
Mr. Lambe states that he was intending to suggest that some notice of the matter should be published in the Gazette. Members agree that this should be done.

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Shanghai Gas Company's Franchise. - The Chairman informs members that, upon
4/1/ completion of the Gas Company's Franchise, the Company has suggested that
it be not published in full in the Gazette. Members agree that no under-
taking to this effect can be given.

Council Election. - The Chairman states that the list of voters for the
5/1/ election of members of Council contains 3,856 names, which is 158 less
than last year.

The meeting terminates at 5.35 p.m.



Chairman

J. R. Jones.
Secretary.

At the meeting of the Council held on Wednesday, April 3, 1935, at 4.30 p.m.

there are:-

Present:

Mr. H. E. Arnhold (Chairman)

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

Messrs. J. W. Carney

C. S. Franklin

E. F. Harris

S. L. Hsu

E. Y. B. Kiang

W. P. Lambe

J. H. Liddell

O. Okamoto

Tsuyee Pei

T. Yamamoto

L. T. Yuan

Yu Ya Ching

The Commissioner of Police

The Treasurer & Controller

The Chairman of the Ricscha Board

The Secretary General, and

The Secretary.

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

The Minutes of the meeting of the Traffic Committee of March 18 are submitted and confirmed, with the following exception:

92/16 Small-size Hire Car Service. - Mr. Franklin states that he does not think the Council should lightly disregard the views of the Commissioner of Police, who commented adversely on the proposal to issue licences for small sized hire cars. In his own opinion such cars would offer no better service than the larger cars already licensed.

The Chairman observes that there was some diversity of views among members, and that the recommendation appears to have been based on the assumption that the Council had no authority to withhold licences. The Secretary states that the limitation of the number of licences was, in the opinion expressed in meeting by the Deputy Secretary, a legal difficulty if any licences at all were issued for small cars.

The Commissioner of Police states that his opposition is based on four considerations: (1) The small cars it is proposed to use are not designed for hard service and might become actually dangerous in a year or so, (2) they would need frequent inspection, say once a month, which would entail additional expenditure by the

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Council, (3) the prospects of success are doubtful as the overhead expenses would be the same as for the larger cars which can hardly pay their way, (4) the small cars might be expected to kill the present business and then fail in operation themselves.

The Commissioner of Police states that in Manila small cars operate from stands, not garages. He regards cruising of any kind as a nuisance.

The Chairman apprehends that small hire cars would add to the congestion of the streets unless the number of ordinary cars were reduced at the same time. He does not think that they should be given parking facilities which are denied to the larger cars. Mr. Harris inclines to the opinion that small cars, by reason of their lower fares, would satisfy a public need.

Further discussion follows as to the power of the Council to refuse to issue licences, or to limit their number, or to restrict their use by any means other than the imposition of special licence conditions. The Secretary General considers that the Council has discretionary powers similar to those exercised in refusing to allow the operation of taxicabs and in limiting the number of public ricssha licences, and believes that the applicants would have no recourse in the Court of Consuls. Hire cars whose operation involves the use of the public highways for profit are not on the same footing as private cars.

A majority of members adopt the views of the Commissioner of Police and it is decided to refuse the applications.

The Minutes of the joint meeting of the Finance and Health Committees of March 19 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee of March 19 are submitted and confirmed.

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

The Commissioner of Police withdraws.

The Minutes of the meeting of the Public Utilities Committee of March 28 are submitted and confirmed.

34/16
In the matter of Shanghai Waterworks Company Tariff Mr. Lambe submits a memorandum drawn up by himself in conjunction with the other Directors of the Company in support of their opposition to the proposed increase in the rebate from 20% to 25%. The surplus from 1934 of \$265,000, carried over to the Tariff Revision Suspense Account, amounts to less than 5% of the total revenue. It is due to (1) low cost of dividends owing to higher exchange, (2) the fact that the 20% rebate was in force for only 9 months of the year, and (3)

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the still comparatively high consumption of water per capita and consequently low production costs per million gallons. The Company opposes any uniform relief in the form of a further rebate and would prefer to consider adjustments in the tariff, with special attention to the position of industrial consumers and of landlords responsible for tenants' water rates. A further reduction in the per capita demand, with consequent increase in production costs, is probable, and it is considered that any psychological benefit from an increase in the rebate would be of less value than the establishment of a well balanced rate structure. Mr. Lambe suggests that any subsequent reduction in the proposed rebate would cause considerable discontent, and so far as can be seen there is no strong general demand for an increased rebate.

Mr. Carney refers to the opinion of the Treasurer & Controller that the causes of the Company's improved financial condition are still operating. While exchange movements cannot be foreseen the Committee held that the rebate could be increased without serious consequences to the Company, and that the Company's policy was too conservative. He recalls that when the Board of Reference of which he is a member considered the matter there was a question as to whether the rebate should be 20% or 25% and that the Board itself adopted a cautious attitude and recommended a rebate of only 20%. In view of the results since achieved by the Company the Committee did not hesitate to recommend that the figure be now increased.

Mr. Hsu believes that the public is looking for an increased rebate following on improvement in exchange, and considers that the psychological effect is very important.

The Treasurer & Controller states that the Equalization Reserve provided for in the Tariff Agreement amounts to approximately \$1,200,000 and the Exchange Reserve to \$1,100,000, besides which there is the surplus from last year of \$265,000. It has been proved that the Company's revenue has exceeded the estimated figure each year, and if the consumption of water remains the same there will probably be a further excess in revenue of from \$300,000 to \$400,000 this year.

The Chairman states that it was with great difficulty that the serious agitation against the water charges in 1934 was allayed, and is of the opinion that further agitation will ensue unless relief is given in the form of the increased rebate on account of its psychological effect.

Members concur and the Committee's recommendation is endorsed.

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April 3, 1935.

The Minutes of the meeting of the Staff Committee of March 29 are submitted and confirmed with the following exception:-

In the matter of Orchestra & Band - Passages - Musician C. Fiocchi and Maestro M. Paci Mr. Carney suggests that the Orchestra & Band Committee be given an opportunity to consider the case of these employees before any action is taken to terminate their services. Mr. Franklin however is of the opinion that that Committee is not concerned, and members generally concur.

Brig.-Gen. Macnaghten states that though he agrees that Mr. Fiocchi should be dismissed he considers that it would be too severe to ask for the resignation of Mr. Paci. The latter's action was evidently prompted by a desire to get a fellow musician out of his difficulties. His temperament should be taken into consideration, and in view of this employee's unblemished service over a period of 16 years a severe reprimand would no doubt meet the case.

Mr. Harris states that, partly from his experience of Mr. Paci, he has come to the same conclusion. Artists look on regulations in a different way from the Heads of other Departments, and he is satisfied that Mr. Paci thought he was acting for the best without realizing the nature of the offence. Not much harm will be done if Mr. Paci remains in the service, and Mr. Harris is in favour of adopting a more lenient attitude than that recommended.

Members raise the question of the relative responsibility of the two employees and the Italian Judge for misapplying Mr. Fiocchi's passage money to the payment of his debts. The Secretary refers to points in the correspondence which show that the judge must have been aware of the purposes for which the money had been given to Mr. Fiocchi and that it is likely that some degree of pressure was exercised.

Mr. Franklin suggests that not even a musician should be relieved of the obligation to comply with the Council's rules. Mr. Liddell concurs, and Mr. Kiang supports the recommendation regarding Mr. Paci who is shown to have participated in a fraudulent action. Mr. Okamoto states that he thought some alternative penalty, such as a reduction in pay, might be applied, but eventually supported the Committee's recommendation. Mr. Pei considers that leniency should be shown. Mr. Kiang suggests that the nature of the penalty should depend on the degree of responsibility which can be proved, and that owing to the apparent uncertainty in this matter the case of Mr. Paci be referred back to the Staff Committee for reconsideration. Mr. Liddell observes that the Council is stated not to have lost any money through the transaction; in his opinion one question to be decided is the reimbursement of the amount of Mr. Fiocchi's passage

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money. The Secretary General notes that the impression has been given that Mr. Paci was acting under some degree of pressure, and suggests that this should be taken into account.

The Chairman invites members to propose alternatives to the Committee's recommendation. Mr. Okamoto suggests a 10% reduction in pay. Mr. Lambe does not consider this mode of punishment appropriate, and with this members generally agree. It is accordingly

RESOLVED that Maestro Sav. M. Paci, Conductor of the Orchestra, be severely censured for assisting in the misapplication of Mr. C. Flocchi's passage money in 1932 to the repayment of the latter's debts.

In the case of Mr. Flocchi, Mr. Franklin suggests that the Committee's recommendation might be modified in view of the pressure which is stated to have been brought to bear by the Italian Judge. The Chairman considers that this conduct has been entirely reprehensible regardless of any pressure which may have been applied. Nevertheless he would not oppose reconsideration by the Committee.

Mr. Harris suggests that this employee's present state of indebtedness should be taken into consideration. Mr. Franklin observes that this would not be a reason for dismissal.

Members agree that no action should be taken at the moment, and the recommendation regarding Mr. Flocchi is referred back to the Staff Committee for further consideration.

113/105

In the matter of Medical Expenses - Accident Case - Mr. C. C. Bojeson Brig.-Gen. Macnaghten asks why the medical expenses incurred in Soochow were not taken into account. The Secretary states that as Mr. Bojeson was not on leave he was not precluded by the Terms of Service from applying for refund of such expenses, but that, possibly to avoid embarrassing the Council, he submitted no application for expenses other than those incurred after his return to Shanghai.

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

125/11

Ricsha Board's Report for March. - The Board's report, dealing principally with the new model ricsha and the possibility of minor alterations in design, is submitted.

Brig.-Gen. Macnaghten draws members' attention to the last paragraph relative to a possible reduction in the public ricsha pullers' fee in agreement with the probable action of the French Municipal Administration. The Secretary states that the matter has been submitted to the Departments for comment, and that the Treasurer & Controller, mainly for financial reasons, does not consider any immediate change to be practicable or desirable.

The Chairman of the Ricsha Board withdraws.

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April 3, 1935.

Chairmanship of Annual Meeting of Ratepayers. - On the Chairman's proposal

F6/4 it is

RESOLVED that Mr. A. W. Burkill be requested to take the Chair at the forthcoming Annual Meeting of Ratepayers.

Annual Meeting of Ratepayers - Resolutions. - Seven resolutions of a

F6/10 formal nature are submitted and approved.

General Hospital - Board of Governors. - After consideration of a memoran-

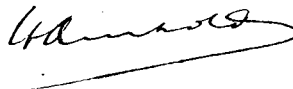
C11/2 dum prepared by the Secretary it is

RESOLVED that, subject to the consent of the persons named, Drs. T. B. Dunn and W. S. Parsons and Messrs. J. W. Carney and H. Porter be nominated at the forthcoming Annual Meeting of Ratepayers for election to the Board of Governors of the General Hospital.

Departure of Mr. E. F. Harris. - The Chairman tenders the thanks of the

F5/12 Council to Mr. Harris, who is about to proceed on leave, for the services which he has rendered, and wishes him a pleasant holiday.

The meeting terminates at 6.20 p.m.



Chairman.

J. R. Jones.
Secretary.

At the meeting of the Council held on Wednesday, April 10, 1935, at

4.30 p.m., there are:-

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.-Gen. E. B. Macnaghten (Vice-Chairman)
 Messrs. J. W. Carney
 C. S. Franklin
 S. L. Hsu
 E. Y. B. Kiang
 J. H. Liddell
 O. Okamoto
 Tsuyee Pei
 T. Yamamoto
 L. T. Yuan
 Yu Ya Ching
 The Acting Commissioner of Police
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. E. F. Harris
 W. P. Lambe

Messrs. V. St. J. Killery, H. Porter and T. Urabe,
 Councillors-elect for the Municipal Year 1935-6, attend.

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

The Minutes of the meeting of the Orchestra & Band Committee of April 4
 are submitted and confirmed.

The Minutes of the meeting of the Traffic Committee of April 5 are sub-
 mitted and confirmed.

83/4

In the matter of Parking of Private Motor Cars and Other
 Vehicles Mr. Liddell states that, though he agrees that something
 must be done to ease the traffic congestion in the Central District,
 he doubts whether the proposed announcement would result in the pro-
 vision by private enterprise of a sufficient number of garages of
 moderate or small size for the use of motorists. He is of the opinion
 that consideration should be given to the type and size of garages
 which would be necessary.

The Chairman states that the plans of these structures
 would have to be approved by the Public Works Department. He adds
 that there is already one garage for the accommodation of private
 cars in Hongkong Road. Replying to a question by Mr. Liddell he

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states that it is extremely unlikely that it would be possible to collect from car owners an additional tax to be applied to the establishment and maintenance of Municipal garages. He also states that this is an experimental measure and that it is hoped that private action as indicated will follow the Council's announcement of its intentions.

Mr. Carney expresses the opinion that the provision of public parking accommodation is, on account of the capital expenditure involved, more likely to follow than to precede enforcement of the regulations.

The Acting Commissioner of Police withdraws.

F 4/10
Annual Meeting of Ratepayers - Resolutions. - The Chairman reads in the order in which they will be delivered the speeches relative to the various Resolutions.

The Chairman states that four extra Resolutions have been submitted and that suitable replies are being drafted. As regards the resolution calling for the transfer of the Orchestra to a non-Municipal body the attitude of the Council has been to leave the question of the future of this Department to the free decision of the Ratepayers, and the Chairman assumes that the same course will be followed this year. Replying to Mr. Liddell the Chairman states that the replies to the extra Resolutions will be ready shortly, though No. IX, requiring the Council to investigate the possibility of imposing a tax or levy on vacant premises and undeveloped and unregistered land, and to publish the result within six months, presents special difficulties.

Referring to the same Resolution Mr. Pei states that, in the present depressed state of the real estate market, the effect of additional taxes would be disastrous. The Chairman replies that the Council is asked in the first place to investigate the matter, but this is to be followed by publication of the results which in his opinion would not be in ^{the} interests of the community.

In regard to Resolution X, calling for the raising of a loan of \$5,000,000 for road widening purposes, the Treasurer & Controller states that the Budget provides for a sum of two or three million dollars for capital expenditure on roads.

The Chairman states that Resolution XI, relating to telephone rates, is dealt with in the speech which has been read to members.

f 2/16
Telephone Company - April Bills. - A letter is submitted from the Shanghai Telephone Company requesting that, as a decision has not yet been reached on the new tariff, the Company be permitted to bill its subscribers for the month of April on the rates existing at March 31, 1935,

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and to inform subscribers that adjustments in accordance with the decision of the Councils will be retroactive from April 1 and will be made in a subsequent bill.

The Secretary explains that under the terms of the Franchise the increased charges are to be effective from April 1.

Mr. Hsu enquires whether, in view of the state of public opinion on this subject and the fact that a Resolution thereon is to be submitted to the Ratepayers' Meeting, the date could be changed to May 1.

The Chairman states that the Council cannot reasonably, or on any legal grounds, oppose the application, and that the only matter to be settled is the framing of a suitable tariff.

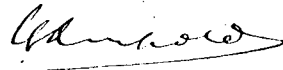
RESOLVED that permission be given to the Shanghai Telephone Company to bill its subscribers for the month of April on the rates existing at March 31, 1935, and to inform subscribers that adjustments in accordance with the decision of the Councils will be retroactive from April 1 and will be made in a subsequent bill.

Council Membership. - The Chairman states with regret that this is the last meeting to be attended by Brig.-Gen. Macnaghten and Mr. Okamoto. He thanks these members for their support during the past year and hopes that Mr. Okamoto will soon be restored to health and that Brig.-Gen. Macnaghten will enjoy a pleasant holiday.

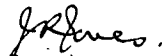
Brig.-Gen. Macnaghten in reply expresses his high appreciation of the enormous amount of work devoted by the Chairman to the Outside Roads question, a solution of which is now in view. He cordially responds to the Chairman's good wishes to himself.

The Chairman states that no one regrets more than himself that the Outside Roads question has not been finally settled, but as all parties are hoping for a solution he trusts that it will not be long delayed.

The meeting terminates at 5.55 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Thursday, April 18, 1935 at 12 noon

there are:-

Present:

Messrs. H. E. Arnhold
 J. W. Carney
 Chen Chieh
 C. S. Franklin
 W. Gockson
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 J. H. Liddell
 H. Porter, C.M.G.,
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Mr. W. P. Lambe.

F5/14


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

Election of Chairman. - Upon the proposal of Mr. Carney, seconded by Mr. Liddell, Mr. H. E. Arnhold is unanimously re-elected Chairman.

In expressing his appreciation of the honour conferred on him, Mr. Arnhold assures members that he will continue to devote his energies to Council affairs and requests members' help and support.

Election of Vice-Chairman. - Upon the proposal of the Chairman, seconded by Mr. Franklin, Mr. W. P. Lambe is unanimously elected Vice-Chairman.

The meeting terminates at 12.05 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, April 24, 1935, at 4.30 p.m., there are:-

Present:

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

The Treasurer & Controller

The Secretary General

The Secretary, and

Dr. J. C. H. Wu.

Fs/14

Mr. Lambe expresses his appreciation of members' action in electing him Vice-Chairman at the last meeting.

The Minutes of the meetings of April 10, 1935 and April 18, 1935 are confirmed, and signed by the Chairman.

9-2/16

The Minutes of the meetings of the Public Utilities Committee of April 1, 1935 and April 15, 1935, are submitted and confirmed. Arising out of these minutes the Chairman alludes to the anomalous position in which the Council is now placed as a result of the amended resolution passed at the recent Ratepayers' Meeting. Both this Council and the French Municipal Administration have already agreed to an increase in telephone rates while the resolution requests the Council to negotiate with the Telephone Company with a view to postponement of the immediate adoption of new rates. The Telephone Company will probably demand arbitration. He expresses the opinion that it will be necessary to confer with the French Municipal Administration in order to ascertain their attitude and to arrange a round table conference between the three parties before consideration can be given to the question as a whole. It is intended to communicate with the other two parties to this end tomorrow.

Mr. Carney states that the Public Utilities Committee seriously considered the advisability of engaging an expert to advise the Council but arrived at the decision that the expense entailed thereby would not be justified. It was not considered that an expert would come

to conclusions any different from those reached by the Treasurer & Controller. Referring to the latter point the Chairman states that in 1929 the Council obtained at considerable expense the services of Mr. Anson of the British Post Office, who, in his report advised the Council that an increase in rates was necessary and who later stated that had he foreseen the drop which was to take place in exchange a greater increase would have been recommended. He states that the Telephone Company will look to the Council for any loss occasioned by the delay in granting the Company the return to which it is entitled under the franchise and that such loss will fall directly or indirectly on the ratepayers. He concludes by remarking that no useful purpose would be served by discussing the matter until the proposed conference between the Telephone Company, the French Municipal Administration and the Council has taken place.

The Minutes of the meeting of the Education Board of April 9, 1935, are submitted. Referring to the items School Fees - Family Discounts etc.- Schools for Chinese and Foreign Children, Mr. Carney states that he is not in sympathy with the Committee's recommendations with regard to family discounts. He considers that these proposals will bear heavily on the parents of large families to whom the costs of education are a heavy burden. Mr. Gockson considers that it would not be a wise policy to discontinue the discounts for Chinese children while foreign children will still enjoy this privilege even though to a slightly reduced extent. In his opinion this constitutes unfair treatment and will possibly lead to dissatisfaction amongst the Chinese public; he therefore requests reconsideration of the matter by the Council.

The Chairman suggests that the matter might be referred back to the Education Board with Messrs. Carney's and Gockson's views, but withdraws this suggestion on hearing the Deputy Secretary's explanation that the matter had been before the Board on three or four occasions, that the point raised by Mr. Gockson had received full consideration and that the abolition of family discounts at schools for Chinese was recommended by the Chinese members of the Board and unanimously adopted by the Board together with the suggested modification of existing discounts at schools for foreign children.

Mr. Porter suggests that, in order to show that no discriminatory treatment is intended, full publicity be given to the fact that the Chinese members of the Board unanimously recommended the abolition of family discounts at schools for Chinese children.

After some further discussion the Minutes of the meeting of the Education Board of April 9, 1935 are put to a vote and confirmed. The Minutes of the meeting of the Health Committee of April 11, 1935, are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of April 16, 1935, are
F4/6
A3/687
A3/641 submitted and, with the exception of the following item, are confirmed.

Orchestra & Band - Passages - Musician C. Flocchi. - The Chairman refers to the Committee's request that the letter of censure to the Conductor be postponed until the Council's approval of these minutes has been obtained and assumes that this letter can now be despatched. The Secretary states that the letter to the Conductor was delayed as it was felt that on reconsideration of Flocchi's case further evidence might be brought to light regarding the part taken by the Conductor. Mr. Franklin states that Flocchi was interrogated at the Committee's last meeting and that as there is no evidence to show that Flocchi borrowed money from the Conductor or that the latter guaranteed any of the former's debts, the letter to the Conductor can now be despatched.

The Secretary draws members' attention to the views expressed by the Staff Committee that Flocchi was more or less forced into acting as he did and suggests that in terminating his service while the Conductor is let off with a reprimand, it might be felt that inequality of treatment is being shown. Mr. Franklin states that he feels as strongly on the matter as he did previously. Mr. Lambe in referring to the point raised by the Secretary suggests that both cases be referred back to the Staff Committee for further consideration, in this he is supported by Mr. Kiang.

The Chairman recalls that some members felt that the Conductor had been carried away by his desire to assist a fellow musician out of his difficulties and that the recommendation by the Committee that the Conductor be requested to resign was too severe in the circumstances. He feels that the Council's decision to reprimand the Conductor should stand.

Mr. Liddell observes that the Council was divided in its opinion and supports Mr. Lambe's suggestion. Mr. Franklin states that he would welcome reconsideration by the Staff Committee.

Members agree that both cases be referred back to the Staff Committee for further consideration.

Constitution of Committees. - The Chairman states that a draft list of Com-
F4/6 mittees for the ensuing Municipal year is being prepared and will be circulated to members shortly. He requests members having any comments to make thereon to communicate with the Secretary.

The Shanghai Medical Board - Membership. - The Secretary reads a report by
C2/4 the Commissioner of Public Health submitting for confirmation the names of the following gentlemen elected by the medical group they represent to serve on the Shanghai Medical Board for a period of two years from April 1, 1935. Under the constitution of the Board, the Commissioner of Public Health will continue to be a member.

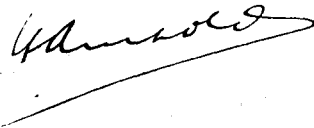
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April 24, 1935.

Dr. H. Couper Patrick representing	The Shanghai Medical Society
Dr. J. R. B. Branch	" The China Medical Association
Dr. W. S. Fu	" The National Medical Association of China
Dr. E. Birt	" The German Medical Society
Dr. Y. Tongu	" The Japanese Medical Society
Dr. A. Tarle	" The Russian Medical Society
Dr. H. N. Zee	" The Medical Practitioners' Association of Shanghai
Dr. D. Engel	" The Society of German Speaking Physicians.

The Commissioner further recommends that Dr. W. E. O'Hara be renominated by the Council as a member of the Board.

RESOLVED that the above nominees be confirmed as members of the Shanghai Medical Board for a period of two years from April 1, 1935.

The meeting terminates at 5.20 p.m.



Chairman.


Secretary.

At a special meeting of the Council held on Wednesday, May 1, 1935, at 4.30

p.m., there are:-

Present:

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

The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Mr. T. Urabe

45/12
F7/6
Shanghai Power Company and the Western District Power Company. - The Chair-
 man states that the chief object in convening this meeting is to dis-
 cuss the question of the Shanghai Power Company's franchise with the
 Council and the Western District Power Company's franchise with the
 City Government. For the benefit of new members he recalls that while
 the Shanghai Power Company was negotiating for a franchise in the
 Western Extra Settlement area, negotiations were also being conducted
 on the Outside Roads question and that it was hoped that both issues
 would be settled simultaneously. Owing however to unforeseen circum-
 stances settlement of the Outside Roads question was delayed and the
 conclusion of a franchise agreement between the Western District Power
 Company and the City Government placed the Council in an exceedingly
 anomalous position. The difficulty in releasing the Shanghai Power Co.
 from its obligations with respect to this area under the franchise granted
 by the Council lies in the matter of assuring continuation of the
 Council's income from royalties and rates. The difficulty in regard
 to the former was overcome by a letter from the City Government to
 the Western District Power Company authorizing the latter to continue
 to pay royalties to the Council until such time as the Outside Roads
 agreement is completed. It was hoped that the difficulty as regards
 the collection of rates would be overcome by the tentative agreement

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arranged by the Treasurer & Controller and the Finance Commissioner of the City Government which received the Council's approval, but at the last moment the Mayor of the City Government was unable to sign the agreement owing to objections raised thereto by the Nanking Government. The Mayor has now however agreed to suspend the application of Clause 34 of the franchise agreement with the Western District Power Company which requires the Company to disconnect any consumers who do not pay the usual rates and taxes to the City Government. This clause is to be suspended until an agreement is reached on the Outside Roads question. In releasing the Shanghai Power Company from its obligations under the franchise in the Western area it is proposed that the Western District Power Company should assume those obligations. The City Government authorities will not agree however to the new Company disconnecting any consumers for failure to pay Special Rate to the Council except with the consent of the City Government. Since the Council has in practice been unable, during the past few years, to induce the Shanghai Power Company to cut off electricity supplies in cases of non-payment of rates without the tacit acquiescence of the City Government, the Council would be in no worse position than at present. The matter is urgent as while it may be possible to arrange an agreement on these lines now, delay would probably result in the presentation of further difficulties. The Chairman states that the only other alternative is to insist upon compliance by the Shanghai Power Company of the terms of its franchise which would lead to arbitration. He therefore suggests that members authorize the continuance of negotiations and the conclusion if possible of an agreement as outlined above.

Replying to Mr. Yamamoto the Chairman states that while he can give no definite assurance, it is anticipated that it will be possible to conclude an agreement almost immediately and that such an agreement would not affect the conversations now taking place between the Japanese Consul General and the Chinese Authorities on the Outside Roads question. With regard to the latter he remarks that the only point outstanding is the question of the area in the Northern District and that all other issues have been agreed to between the two parties with the Japanese Consul General.

After further brief discussion it is

RESOLVED that an agreement be concluded with the parties concerned on the lines suggested by the Chairman.

Shanghai Waterworks Co., Ltd. - Rebate. - In a memorandum submitted the
84/6 Secretary refers to the previous memorandum circulated to members requesting their approval of a letter to the Shanghai Waterworks Co., Ltd., regarding the increased rebate on water charges. In the latter memorandum members were informed that in April last, the Council notified the Company

that the temporary arrangement of a 20% rebate, which after being in force for one year was due for revision on April 1 this year, should be increased to 25% pending revision of the tariff at the end of the existing tariff period, i.e., December 31, 1935. The Company replied that it did not wish to refuse the formal application of the Council and was prepared to increase the rebate on the following conditions:-

- (1) That it should be allowed to exclude from the operation of the increased rebate, the following supplies
 - (a) Stand-by and dual supplies
 - (b) Supplies from the Rubicon Road Works
 - (c) Private fire hydrants, sprinkler and drencher systems.
- (2) That the increased rebate shall be applied to all accounts in respect of which meters are read on or after May 1, 1935.

As the matter was urgent it was proposed, after considering the points of view of the Treasurer & Controller and the Secretariat, to reply, subject to the Council's consent, to the following effect:-

- (1) As the charges under (a) and (c) are of a rental nature and do not relate to current supplies of water, the Company's request for exclusion of these supplies appears to be reasonable. With regard, however to the charge under (b) as the Council has decided in principle that the increased rebate should apply without discrimination to various classes of consumers there does not appear to be any adequate reason for exclusion of this class of consumer.
- (2) In regard to the postponement of the increased rebate from April 1 to May 1, the only question involved is one of practical convenience for the Company in that the charge is partially retrospective and a large number of accounts had already been despatched to consumers when the Council decided on the increase. This, however, is purely a matter of accounting arrangements, and it is suggested that the rebate should be enforced in respect of all meters read on or after April 1, 1935.

A reply on the above lines was agreed to by members with the exception of two who commented as follows:-

- (1) Mr. Lambe, whilst agreeing to the terms of the suggested reply generally, thought that May 1 might be better than April 1 as the date from which the increased rebate should be effective, on the ground that otherwise the amount of clerical work involved might be very large.
- (2) Mr. Singloh Hsu expressed the view that the opinion of the Board of Reference and of the Public Utilities Committee should be obtained, and that personally he was in favour of no discrimination at all and understood that private fire hydrants did not strictly come under the "rental" class.

Referring to his suggestion that the effective date of the increased rebate should be May 1 instead of April 1, Mr. Lambe states that he is informed by officials of the Waterworks Co., that insistence upon the earlier date will involve the Company in a vast amount of clerical labour and possibly the engagement of extra staff in making adjustments to some 16,000 accounts. Under the Company's billing system approximately 800 accounts are sent out daily and in his opinion the amount involved would hardly be worth the extra work

rendered necessary in making adjustments to these accounts.

The Treasurer & Controller states that it was realized that adjustments would have to be made in the accounts and that such adjustments presented no insuperable difficulties. He suggests that the question of the clerical labour involved should not be allowed to interfere with the decision already recorded and expresses the opinion that the effective date of the increased rebate should be April 1.

Mr. Lambe states that the Company anticipates considerable difficulty not only from adjusting the accounts but also from enquiries by consumers regarding the reason for and the amounts of the adjustments. Members generally do not consider that the arguments advanced are sufficiently cogent to warrant postponement and it is

RESOLVED that the request of the Shanghai Waterworks Co., Ltd., for postponement from April 1, 1935 to May 1, 1935 of the increase in the rebate on water charges from 20 per cent to 25 per cent be not approved.

With regard to his observations to the suggested exclusion of stand-by and dual supplies and supplies for private fire hydrants etc., from operation of the increased rebate, Mr. Hsu states that his objections are based on the Council's decision that there should be no discrimination in the application of the increased rebate and enquires why, if these classes of consumers were allowed to participate in the original rebate, exclusion should be proposed in respect of the increased rebate.

In reply the Treasurer & Controller states that it can only be presumed that the Company on reconsideration of the matter has changed its opinion. He adds that the rebate was intended to provide relief for actual consumers of water and that in the case of stand-by and dual supplies clients are merely insuring against failure of supply from other sources. The charges in these cases are thus a rental charge.

Replying to Mr. Carney the Treasurer & Controller states that stand-by supplies were subject to the 25% surcharge but that this extra charge was considered to have been removed by the application of the 20% rebate. He continues that the matter is not of great importance and that while supporting the Company he does not press the point.

Mr. Carney supports Mr. Hsu's suggestion to refer the matter back to the Board of Reference for consideration. Mr. Liddell suggests that as the matter is small the Council should come to some decision now especially as the whole question of tariff revision is to be considered at the end of the year. Mr. Kiang considers that the Council should adhere to its decision that no discrimination be shown.

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May 1, 1935.

On being put to a vote the suggestion to refer the matter back to the Board of Reference is lost and it is thereupon unanimously

RESOLVED that the request of the Shanghai Waterworks Co., Ltd., for exclusion of (a) stand-by and dual supplies (b) supplies from the Rubicon Road Works and (c) private fire hydrants, sprinkler and drencher systems from the operation of the increased rebate be not approved.

Constitution of Committees. - The Secretary refers to the tentative list of
F4/6 Committees circulated to members and states that in addition to the adjustments contained in his further memorandum submitted, several last minute changes have been suggested. He therefore recommends that the tentative list as submitted be approved. Members agree to this course.

Shanghai Waterworks Co., Ltd. - Board of Directors. - The Chairman states
g 4/17 that the Council has two nominees on the Directorate of this Company and suggests the reappointment of Messrs. Lambe and Fessenden who are the present nominees. Upon Mr. Lambe agreeing to accept appointment it is

RESOLVED that Messrs. W. P. Lambe and S. Fessenden be appointed to the Board of Directors of the Shanghai Waterworks Co., Ltd.

The meeting terminates at 5.15 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, May 15, 1935, at 4.30 p.m.

there are:-

Present:

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

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

Absent:

Messrs. T. Urabe
 T. Yamamoto

The Minutes of the meeting of April 24, 1935 are confirmed and signed by the Chairman.

The Minutes of the special meeting of May 1, 1935 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Public Utilities Committee of May 10, 1935, are submitted. Referring to the item Shanghai Telephone Company - Tariff Revision, Mr. Hsu remarks that the Committee's recommendation as regards giving the Telephone Company permission to incorporate with bills for May, a notice to the effect that adjustments will be made retroactive from April 1, does not appear to him to conform with the spirit of the resolution passed at the Ratepayers' Meeting and is moreover inconsistent with the Committee's second recommendation that the Company be approached with a view to postponement of the adoption of any new rates. In reply, the Chairman states that the Company is entitled under its franchise to an increase in revenue from April 1, 1935, and that the Council has agreed to such an increase but has come to no decision as to the manner in which the increase is to be applied. As regards the resolution passed by the Ratepayers, he considers that the first step is to approach the Telephone Company as recommended. Continuing, he refers to the interviews which have taken place between officials of the Council and the Company and to the letter from Mr. Porter informally addressed

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addressed to himself, a copy of which has been forwarded to members, in which Mr. Porter states unofficially and in advance, the terms on which the Company would be prepared to forego the increased rates for the months of April and May. It is expected that the Council will be officially informed to this effect so soon as the Council's letter formally requesting postponement of the adoption of new rates is received by the Company. The matter will then be referred to a meeting of Public Utilities Committee convened for Monday, May 20, whose recommendations will be considered at a special meeting of the Council on the following Wednesday. Mr. Hsu considers that the intimation that the Company might consider waiving the increased rates for April and May supports his objection to the proposed notice regarding retroactive increase in rates; he also submits that such a notice would be misleading to the public. The Secretary states that the apparent inconsistency in the Committee's two recommendations could be explained to the public in these minutes. Mr. Killery suggests that the addition of the words "if any" to the statement regarding retroactive adjustments might meet Mr. Hsu's objection; The Treasurer & Controller however considers that the Company would not accept the addition of these words as seeming to cast doubt upon its rights. On it being pointed out that the desired permission was accorded the Company in respect of April bills, Mr. Hsu replies that the position has now been altered by the Ratepayers Resolution. Mr. Franklin states that the resolution does not affect the Company's legal position under its franchise. Mr. Kiang offers the explanation that the Company desires to incorporate the notice with the bills in order to reserve their rights and that should the ultimate outcome of the whole question result in the Company being found not entitled to increased rates, the statement would automatically become inoperative. Mr. Hsu in view of Mr. Kiang's statement withdraws his objection.

The Minutes of the meeting of the Public Utilities Committee of May 10, 1935, are then confirmed.

The Minutes of the meeting of the Staff Committee of May 13, 1935, are submitted and confirmed. Arising out of these minutes Mr. Kiang remarks that tael figures for salaries are still quoted and suggests that as the tael has been abolished for some time, steps be taken to quote these figures in dollars only. In reply, the Treasurer & Controller states that salaries are invariably quoted in dollars but with the tael equivalent in parentheses for easy reference and that this procedure has been adopted for reasons of economy as the cost of rounding off existing salaries in dollars would involve expenditure of a sum of approximately \$12,000. It was his intention however to propose, towards the end of the year, the elimination of tael figures from the scales of pay.

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May 15, 1935.

Riosha Board - Report for April and Supplementary Reports. - As members have
Kis/ not had sufficient time to make a thorough study of the recommendations
contained in these reports, consideration of this matter is deferred to
the special meeting to be held on Wednesday, May 22.

Country Hospital - Board of Governors. - Members are informed that Mr. Ellis
C/S/ Hayim, one of the original Governors of the Country Hospital, is due to
retire from the Board of Governors under the provisions of the Deed of
Gift. The appointment is in the hands of the Council and Mr. Hayim being
eligible for re-appointment and willing to continue to serve, it is
RESOLVED that Mr. Ellis Hayim be appointed to the Board of
Governors of the Country Hospital for a further period of three years.

Victoria Nurses' Home Committee - Membership. - Members are informed that of
C/S/ this Committee consisting of five members, three are elected by the Council
and two by the Board of Governors of the Country Hospital. The present
Council nominees are Mr. Lambe, Brig.-Gen. Macnaghten and Mrs. J. L.
Maxwell.

The Chairman suggests that Mr. Lambe and Mrs. Maxwell be invited
to retain their seats for another year and that Mr. Carney be invited to
take Brig.-Gen. Macnaghten's place. Mr. Carney expresses his willingness
to serve and it is

RESOLVED that Mr. W. P. Lambe, Mr. J. W. Carney and Mrs. J.
L. Maxwell be appointed as the Council's nominees on the Victoria
Nurses' Home Committee.

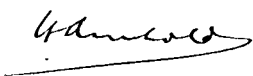
Annual Report. - The Secretary reports that the present is an opportune time to
M/S/ call for tenders for the printing of the Annual Report which is usually
given for three year periods. He refers to the present large and incon-
venient form of the report and suggests that a change might be made to a
smaller size similar to the sample shown to members. The matter has been
discussed with Heads of various Departments all of whom are agreeable to
adoption of the smaller form which it is anticipated will result in reduced
costs. The Treasurer & Controller expresses himself in favour of the new
format from the points of view of economy and utility.

After brief discussion it is

RESOLVED that tenders be called for the printing of the
English version of the Annual Report and that the form of this
version be changed to one similar to that submitted by the Secretary.

The meeting terminates at 5.35 p.m.


Acting Secretary.


Chairman.

At the special meeting of the Council held on Wednesday, May 22, 1935, at 4.30 p.m., there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 W. P. Lambe (Vice-Chairman)
 J. W. Carney
 Chen Chieh
 C. S. Franklin
 W. Gockson
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 J. H. Liddell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Acting Commissioner of Police
 The Treasurer & Controller
 The Chairman of the Riosha Board
 The Secretary General
 The Acting Secretary, and
 Dr. J. C. H. Wu.

The Minutes of the meeting of the Public Utilities Committee of May 20, 1935, are submitted and, with the exception of the following item, are confirmed.

g 2/16 Shanghai Telephone Company - Tariff Revision. - The Chairman states that in view of the fact that the recommendation recorded by the Committee was only adopted by the small majority of four votes to three, further negotiations with the Telephone Company were conducted at a conference attended by the Chairman of the Public Utilities Committee, the Secretary General and himself. After considerable discussion, during which it was pointed out to the Company that it would be illogical to adopt a new basis of charges prior to consideration of the whole question by the special telephone Committee which is to be appointed, the Company although reluctant to abandon the message rate which it maintains is the only reasonable basis for business subscribers, appreciated the Council's difficulties and finally stated that if the Council would write to the Company giving the reasons for not being able to approve of a message rate at the present time and suggesting a flat increase of 11 per cent on individual bills (excluding intercommunication charges) pending the findings of the proposed telephone committee, the Company would accept this proposal provided the increase was made applicable from April 1, 1935. It was however to be distinctly understood that the Company claimed

that a flat increase of 11 per cent was not sufficient to provide the 8% plus 2% return on capital invested to which it was entitled under its franchise. Subsequent to this conference the Acting Secretary interviewed M. Verdier, Director General of the French Municipal Administration, who expressed the opinion that the French authorities would agree to this proposal as a provisional arrangement although they were strongly in favour of the message rate. The Chairman suggests that under the circumstances it would be wise to make this offer to the Telephone Company.

Mr. Hsu states that he is prepared to agree to this proposal but enquires whether, as it is now nearing the end of May, it would be possible to arrange for the increase to become effective from June 1. The Chairman replies that this aspect of the matter was taken up with Mr. Porter but that as the Company claims that the increase to which it is entitled on a flat rate is 16 per cent, it is not prepared to accept the proposed 11 per cent increase except from April 1.

Replying to Mr. Yamamoto, the Chairman states that the resolution passed by the Ratepayers merely invited and advised the Council to negotiate for postponement of the increase. He adds that the Ratepayers were aware of the fact that the Council was committed to an increase. Mr. Yamamoto states that if the Company could be persuaded to make the increase effective from June 1 as suggested by Mr. Hsu, the subscribers would be better pleased. Mr. Hsu also enquires if it is possible to make a further effort in this respect. In reply, the Chairman expresses confidence that the answer would be in the negative; he also points out the necessity of avoiding further delay particularly as the French Municipal Administration is to consider the proposal in meeting tomorrow.

The Chairman's suggestion is then put to a vote and carried and it is

RESOLVED that the Shanghai Telephone Company be approached with a view to agreeing to a flat increase of 11 per cent in individual telephone bills from April 1, 1935, pending the findings of the proposed special telephone committee; it being understood that this increase is not to apply to intercommunication charges.

Consideration is then given to the matter of the appointment of an expert and the selection of the special telephone committee.

The Chairman proposes that immediate application be made to the British Post Office to second a telephone expert to come to Shanghai to report to and advise the special telephone committee which will report to the Council. As regards the Committee, he suggests that the selection thereof be deferred until the views of French Authorities have been obtained. In his opinion the Committee should consist of 6 members, one of each of American, British, Chinese and Japanese nationalities and two appointed by the French Administration; the names of the Council's nominees to be considered at a later date. He considers that such a committee would be acceptable to the French Administration who have indicated their desire to be represented.

Mr. Yamamoto suggests that the appointment of an expert be left to the special committee, to which the Chairman replies that he does not consider this course advisable. He recalls that the question of an expert was gone into thoroughly by the Council in 1929 when it was found that in most countries telephone organizations were controlled by one or the other of two telephone systems and that the British Post Office, which uses both systems, was the only organization which could provide an independent expert. He understands that in Japan the telephone organization is controlled by the same Company to which the Shanghai Telephone Company is affiliated. Whatever is decided will be subject to the concurrence of the French Administration and he does not anticipate any objections from that quarter to the appointment of a British expert.

The Chairman's suggestions are then put to the meeting and carried by a large majority and it is

RESOLVED that immediate application be made to the British Post Office to second a telephone expert to come to Shanghai to report to and assist the special telephone committee which will report to the Council; and that such special telephone committee should, subject to the agreement of the French Municipal Administration, consist of six members, one American, one British, one Chinese, one Japanese and two representatives of the French Municipal Administration.

K25/1
Ricsha Situation. - The Ricsha Board's report for April and two supplementary reports dated May 14 and May 15, consideration of which was deferred at the last meeting, are submitted. In the report dated May 14 reference is made to a mass meeting of ricsha owners held on May 11 at which a number of resolutions were adopted, the most important of which may be briefly summarized to the effect that the Council be requested; to reorganize the Pullers' Mutual Aid Association (including a reduction in the subscription) failing which the owners should stop collection of these subscriptions from June; to permit the use of the old type of ricsha in preference to the new standard model; not to limit the number of coolies for registration. Commenting on these proposals the report states that the demands strike at the root of the reforms which the Council is endeavouring to accomplish and should be opposed. It is not, in the Board's opinion, desirable and still less necessary or justified, that owners should continue to be represented on the Board of Management, but to allow them to be Trustees of the Association would be calamitous. Perpetuation of the old type of ricsha would, it is submitted, be a direct retrograde step and the unlimited licensing of pullers would nullify practically all the benefits achieved by licensing.

In the further report of May 15, a tentative suggestion is made that if the owners maintain their refusal to continue the collection

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of pullers' subscriptions to the Pullers' Mutual Aid Association, steps might be taken to withdraw 1000 licences from those owners whose records have shown the least amount of co-operation, particularly in regard to the licensing of pullers; these 1000 licences to be suspended with a view perhaps to reducing permanently the number to this extent.

In a covering memorandum submitted, the Acting Secretary states that since receipt of the report of May 15 the situation has been further discussed with the Chairman of the Ricscha Board from which it appears that it is not his intention to recommend in the near future either the cancellation or the temporary suspension of existing licences. His main recommendation is that as and when suitable new owners are ready to co-operate the existing licences of those owners who refuse to do so should be gradually transferred to new owners. He considers that this course will involve much less dislocation of labour and discontent among pullers than either cancellation or temporary suspension. He further states that he considers that if the necessary authority to adopt the course is granted by the Council, it will probably not be necessary to put it into effect anyhow to more than a limited extent, as in his opinion opposition will collapse if a firm line is taken.

At the Chairman's request the Secretary reads the relevant portion of the minutes of March 6, 1935, authorizing the Board to suspend or transfer up to 500 licences should the nomination of pullers by owners continue to be unsatisfactory.

The Chairman states that the position is now practically the same as it was at that time although the reason underlying the recommended suspension of licences is different. He understands that the ricscha owners have requested holding another conference with the Council's officials and suggests that the Council should reaffirm its authorization to the Board to suspend up to 500 licences. Replying to The Chairman's enquiry as to whether this proposal would meet the needs of the situation, Mr. Massey states that although adoption in principle of his recommendation will strengthen the hands of the Board, he would prefer to have the number of licences subject to suspension increased elastically up to 1000. Mr. Liddell enquires whether it is intended to suspend these licences permanently or to re-issue them to owners who are willing to co-operate. The Chairman replies that in his opinion the latter course would be the wiser one to adopt, at least until the registration of pullers has been completed.

Mr. Massey states that in the event of the owners defying the Council, refusal to take up the issue will result in the loss of considerable ground. The Chairman responds that there is no intention to give in to owners in this respect. Under his suggestion the Board would have power to deal with 500 licences and if the results of the proposed conference were unsatisfactory, consideration would be given to the question of authorizing the transfer of additional licences.

50
May 22, 1935

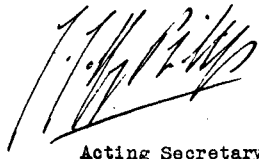
Mr. Massey expresses himself as satisfied with this assurance and it is

RESOLVED that the Ricscha Board be authorized to suspend up to 500 licences of those owners who refuse to continue to collect from pullers subscriptions to the Pullers' Mutual Aid Association and to issue these licences to new owners who are willing to comply with the Council regulations.

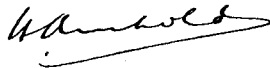
The Acting Secretary suggests that in view of the forthcoming conference it might be advisable to defer publication of this minute. The Chairman supports this suggestion adding that publication at the present time might tend to create a hostile attitude on the part of the owners. Members agree.

Mr. Massey enquires whether a communique can be issued after the proposed conference has been held. He states that the owners invariably adopt this course. The Chairman suggests that the matter be left to the discretion of the Secretary General when the time comes. Members approve.

The meeting terminates at 5.10 p.m.



Acting Secretary.



Chairman.

At the meeting of the Council held on Wednesday, May 29, 1935, at 4.30 p.m.

there are:-

Present:

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

The Acting Commissioner of Police
 The Treasurer & Controller
 The Chairman, Ricsa Board
 The Secretary General
 The Acting Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. C. S. Franklin
 W. Gockson
 S. L. Hsu

The Minutes of the meeting of May 15 and of the special meeting of May 22 are confirmed and signed by the Chairman.

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

The Minutes of the meeting of the Health Committee of May 16, are submitted and confirmed.

C8/9 With regard to Municipal Hospitals - Admission Regulations Mr. Lambe, Chairman of the Committee, draws attention to the disagreement recorded by Dr. Marsh and to the view expressed by this member that all classes of the community whether resident or non-resident suffering from infectious diseases should be treated in Municipal Hospitals without charge in the case of the poor and at a very moderate charge in the cases of all others without discrimination.

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

The Minutes of the meeting of the Orchestra & Band Committee of May 21 are submitted and confirmed.

The Minutes of the meeting of the Education Board of May 22 are submitted and save as follows, are confirmed.

A23/1 With regard to Education Policy - Additional Schools for Chinese, Mr. Porter draws attention to the Committee's recommendation that the Council should earnestly reconsider the proposals for opening three new schools for Chinese in the Autumn of 1935 previously recommended by the Board on June 20, 1934. The Treasurer & Controller states that there are no new developments in the present situation which would warrant the Council reconsidering this matter which has been twice negated for financial reasons. Mr. Chen Chieh states that although appreciative of the present financial situation, the Chinese ratepayers are very anxious to see at least two more schools for Chinese children established. He refers to the saving amounting to approximately \$46,000 which it is proposed to effect by the abolition of family discounts at schools for Chinese children and by the transfer of five foreign teachers from the Secondary Schools for Chinese Boys and suggests that if this sum could be utilized for the establishment of even two primary schools, such a course would go a long way towards meeting the wishes of the Chinese community. The Treasurer & Controller replies that the scheme to effect the economies referred to has been examined but that it is not considered that sufficient funds for the purpose would be provided thereby. He adds that he has the matter under consideration and that it may be possible, in view of certain economy and re-organization measures, to release sufficient funds to establish one school towards the end of the year. He informs members that the question will be thoroughly investigated.

A20/3 With regard to School Fees - Family Discount, Scholarships etc. Schools for Chinese Children, Mr. Lambe enquires whether it is intended that that these scholarships shall apply only to children whose parents are resident in the Settlement or to all children. The Treasurer & Controller replies that so far as he is aware the intention is to restrict scholarships to the children of Settlement residents. Some discussion ensues as to the advisability of adding a clause to the Committee's recommendation to this effect or alternatively to the effect that the scholarships should be confined to Council and grant-aided schools. The Treasurer suggests that this point could be covered in the scholarship conditions to be submitted to the Council for approval. Members agree.

The Minutes of the meeting of the Library Committee of May 24, 1935 are submitted and confirmed.

F4/2 Rate Assessment Committee. - The Acting Secretary reports that a vacancy exists on the Rate Assessment Committee owing to the election of Mr. H. Porter to the Council. He states that the name of Mr. G. L. Wilson has been suggested in this connection in view of his experience in the valuation of properties. There being no further nominations it is

RESOLVED that Mr. G. L. Wilson be invited to serve on the Rate Assessment Committee for the remainder of the Municipal Year.

N 4/5
New Central Police Station - Opening. - The Acting Secretary states that it has been suggested that the new Central Police Station might be thrown open to the public for inspection on Sunday, June 9 from 2 p.m. to 5 p.m. Admittance would be by card and light refreshments provided by the Council. The Treasurer & Controller offers no objection. Members concur with this suggestion.

K 25/1
Ricsha Situation. - The Chairman refers to the discussion which took place at the last meeting and states that a conference was held on Saturday, May 25, with the representatives of the Shanghai Ricsha Owners' Association at which no progress was made, it being made clear that the owners wished to revert to the conditions previously existing. At a subsequent meeting of owners it was decided to refuse to pay the \$1.50 monthly subscription to the Pullers' Mutual Aid Association on behalf of pullers on applying for licences on June 1. Owing to the kindly intervention of Mr. Yu Ya Ching who had held a meeting with the owners today, they had agreed to pay this subscription on June 1 but stated that they would not continue to do so thereafter. The situation which had been eased for the time being would therefore again become acute on July 1. The owners have expressed the hope that in the meantime steps would be taken to reorganize the Pullers' Mutual Aid Association. The Chairman adds that there appears to be no further action to be taken today.

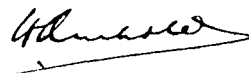
Mr. Kiang states that at the meeting held today the owners definitely stated that if the Pullers' Mutual Aid Association is reorganized in such way as to be satisfactory to both parties they will offer no further opposition to the reforms proposed by the Council.

Replying to the Chairman Mr. Massey states that there is nothing he can usefully say since the immediate crisis is postponed. He adds that something may come of another conference with the owners.

C 13/6
Report of the Commissioner of Public Health for April. - Mr. Carney refers to the statement made in this report that the Tuberculosis floor of the Municipal Isolation Hospital had been full and that several patients who might have stayed longer had been discharged to make room for acute cases and enquires whether the accommodation for Tuberculosis patients could be enlarged. On the Chairman's suggestion it is decided to call for a report from the Commissioner of Public Health on this subject.

The meeting terminates at 5.25 p.m.


Acting Secretary.


Chairman.

At the meeting of the Council held on Wednesday, June 12, 1935, at 4.30 p.m.

there are:-

Present:

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

The Treasurer & Controller
The Chairman, Ricscha Board
The Secretary General
The Acting Secretary, and
Dr. J. C. H. Wu.

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

Kss/1 With regard to Ricscha Situation the Chairman informs members that Mr. Yu Ya Ching is kindly continuing discussions with the ricscha owners and expects to be able to report thereon shortly.

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

EJR The Minutes of the meeting of the Orchestra & Band Committee of June 3 are submitted and confirmed. With regard to the item Appointment of Conductor Mr. Carney, Chairman of the Committee, states that he would appreciate some lead from the Council as regards the appointment of a new Conductor, particularly with reference to the terms which the Council would be prepared to offer. Replying to the Chairman the Treasurer & Controller confirms that the Conductor's present salary is considerably more than when he was appointed to the position. As regards the salary for the new Conductor he states that a great deal also depends on the amount of work of which the Conductor is to be relieved and suggests that no definite figure can be fixed until the findings of the Sub-Committee at present investigating this matter are available. The Chairman agrees.

Mr. Lambe raises the question of continuing the Orchestra on its present basis in view of the prevailing financial stringency and suggests that the position with regard to the Conductorship makes this an opportune time to consider a drastic reorganization of the Orchestra on

more economical lines and even to consider again the question of disbanding the Orchestra. Members refer to recent decisions of the Ratepayers on this matter and the view is expressed that should it be decided to refer the matter again to the Ratepayers some temporary arrangement might be made in regard to the Conductorship between the time of Maestro Paol's resignation and the Ratepayers' Meeting. The Chairman expresses doubt as to how far the Council is committed by the existing agreements with musicians, to which the Treasurer & Controller replies that the majority of the musicians are serving on terms which allow for termination at one month's notice. The Treasurer agrees that the present is an appropriate time for consideration of this matter, and suggests that the whole question be referred to the Committee for consideration. Mr. Carney remarks that a member of the Committee has intimated his intention of bringing this matter up at the next meeting.

After further brief discussion it is

RESOLVED that the Orchestra & Band Committee be requested to conduct an investigation into the question of a reorganization of the Orchestra & Band on more economical lines and to consider whether it is desirable to retain the Orchestra on anything approaching its present scale.

Annual Recess. - Upon the Chairman's proposal it is

F5/18

RESOLVED that the Annual Recess this year be from July 25 to September 3 inclusive.

Chairman - Leave of Absence. - The Chairman states that it will be necessary

F5/12

for him to be away from Shanghai for two months from June 25 and requests leave of absence for this period. He also suggests that the ordinary fortnightly meeting which would normally take place on Wednesday, June 26, be held on Monday, June 24, so as to enable him to be present and thus miss only two meetings. Members agree.

Ricsha Board - Report for May. - The report of the Ricsha Board for May,

K45/1

copies of which have been furnished to members, is formally received.

Telephone Situation. - With reference to the decision recorded at the meeting

42/16

of May 22 with regard to the appointment of a special telephone committee, the Chairman informs members that the French Municipal Administration has replied to the Council's invitation to appoint two representatives to this Committee to the effect that while it does not wish to be represented on the Committee it would appreciate having an observer thereon. It will also appoint its own expert to investigate the affairs of the Telephone Company, and the Company has agreed to this course. The Chairman refers to his original suggestion that the special committee should number five. This was extended to six in the expectation that the French Authorities would desire to be represented, but under present circumstances he suggests that five members are adequate; such committee

to consist of one of each of American, British, Chinese and Japanese nationalities, and, to make the committee representative of all sections of the community, one member from the smaller nationalities. He further suggests that the Chinese and Japanese members should give consideration to the appointment of the Chinese and Japanese representatives and submit the names of those chosen to the Acting Secretary before the next meeting. Members concur with these suggestions.

At the Chairman's request the Acting Secretary reads a telegram received from the London Agents regarding the secondment by the British Post Office of a telephone expert. The message states that Mr. Anson is not available for the appointment but that the Chief Engineer of the British General Post Office recommends Major Brown, present Deputy Engineer in Chief. The telegram continues that Major Brown is shortly retiring and has been largely responsible for the construction, maintenance and costing of the telephone system also having been closely associated with the revision of telephone rates in England. His terms for a visit of approximately two months are a sum of £1,050 plus first class return fares and hotel expenses for himself and his wife. He would arrive early in September. The Acting Secretary adds that the Treasurer & Controller considers these terms reasonable but suggests that Major Brown's departure should, if possible, be expedited.

The Chairman states that it would appear from the telegram that Major Brown has the experience desired by the Council and suggests that a reply be sent agreeing to the appointment on the terms stated and requesting that Major Brown's departure be expedited as much as possible. Members concur and it is accordingly

RESOLVED that (a) the offer of the British Post Office to second Major Brown for service in Shanghai to report and assist the special telephone Committee be accepted on the terms stated and that a request be made to expedite his departure (b) the special telephone committee shall consist of five members, one American, one British, one Chinese, one Japanese and one member from among the smaller nationalities.

9821/1
Land Commission - Chinese Representation. - The Secretary General informs members of the present position regarding Chinese representation on the Land Commission which may be summarised as follows:-

At the 1932 Ratepayers' Meeting a resolution was passed authorising and instructing the Council to make representations to the Powers concerned with a view to securing the addition of two Chinese members to the Land Commission. This resolution was submitted to the Consular Body for the necessary amendment of the Land Regulations in order to give effect thereto. As the proposed addition to the Land Commission was in the interests of the Chinese community it was not anticipated that the Chinese Authorities would object to such a measure and in view of the time

which would ensue before the requisite amendment to the Land Regulations could be effected, a temporary arrangement was concluded with the Consular Body whereby the Chinese Land Commissioners commenced sitting before the legal formalities for them to do so had been completed. It now appears doubtful whether the Nanking Government will agree to the necessary formal amendment of the Land Regulations and as the validity of the awards of the Land Commission is open to serious doubt until this is done, the matter requires consideration.


The Secretary General continues that he has discussed the matter with several members including Mr. Hsu. The latter and his colleagues consider that some pressure might be brought to bear by them on the Nanking Government but suggest that the matter be left for two weeks until further information is available. The Secretary General adds that although several Land Commission cases are awaiting hearing, the matter is not urgent.

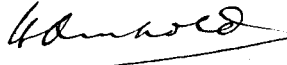
Replying to the Chairman, Mr. Hsu states that he has nothing to add to the Secretary General's statement at the moment but that he and his colleagues will approach the Mayor of the City Government first and consider what methods can be adopted to persuade the Nanking Government to agree to legalise the position. The Chairman states that it is essential to have a decision soon and expresses the hope that further information will be available in two weeks' time.

Unmuzzled Dogs. - The Chairman refers to the recent incident in which a lady was ^{C/M/R} bitten by a German police dog and to the action to be taken to prevent a repetition of this grave occurrence. The Acting Secretary states that the Commissioner of Police has issued drastic instructions to all divisions that unmuzzled dogs found at large are to be seized and detained. In cases of unmuzzled dogs on leads the instructions state that owners are to be given one warning and prosecuted on subsequent offences against the muzzling regulation. Steps are being taken to obtain the co-operation of the Chinese Authorities in this respect in the Extra Settlement areas.

The Chairman states that while the muzzling regulation has existed for many years little effort has been made to enforce it and that it should be made clear to the Commissioner of Police that the regulation must be rigidly enforced in future and not enforced for a short time and then forgotten. Members concur.

The meeting terminates at 5.15 p.m.


Acting Secretary.


Chairman.

At the meeting of the Council held on Monday, June 24, 1935, at 4.30 p.m.,

there are:-

Present:

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

The Treasurer & Controller
 The Chairman, Riasha Board
 The Secretary General
 The Acting Secretary, and
 Dr. J. C. H. Wu.

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

421/1 Land Commission - Chinese Representation. - Arising out of these minutes, Mr. Hsu reports that last Friday he asked the Mayor to wire to Nanking on the lines suggested at the last meeting of the Council. The Mayor hopes to receive a reply from the authorities before the 26th of June, the original date of the Council meeting. On the morning of the 24th Mr. Hsu again telephoned the City Government, and in the absence of the Mayor through sickness spoke to Mr. Yui. He hopes that a definite decision will be received very shortly.

The Minutes of the meeting of the Education Board of June 14, are submitted and confirmed.

C4/1 The Minutes of the meeting of the Health Committee of June 20 are submitted and confirmed. As regards Pasteurisation of Grade "B" Dairy Produce Mr. Killery is of opinion that the Council should make it quite clear that as a matter of principle it will not allow itself to become involved in private negotiations between commercial firms. He also considers that inconsistency is shown between the statement in the Commissioner of Public Health's report that Grade "B" Dairies serve an economic need, and Dr. Marsh's subsequent remarks as to unpasteurized milk being unfit for human consumption. If Grade "B" Dairies are a danger to public health, they are not in his opinion economic in any way.

With commercial arrangements between individual firms the Council cannot rightly, and should not attempt to interfere.

Mr. Lambe and Mr. Liddell explain that Mr. Killery's point was not overlooked by the Health Committee. The Committee propose to do nothing more than encourage informal private assistance to the Dairy-men and the owners of pasteurizing plant to make contact. They can assure members that the Council is not becoming entangled in any commercial venture.

The Acting Secretary confirms this, saying that any assistance given is purely unofficial, and that the matter was submitted to the Health Committee for consideration in order to guard against the risk which Mr. Killery mentions. The point is being borne in mind very carefully.

Special Telephone Committee - Personnel. - The Chairman recalls that at the ^{8/16} last meeting it was decided to accept the offer of the British Post Office to second Major Brown for service as a telephone expert and to appoint a special telephone committee of five members. He states that subsequent to this meeting he was approached by the Japanese members of Council who made strong representations for the appointment of a Japanese expert as well. It was stated that the feeling amongst the Japanese community that this should be done was very high. He held out no promises but agreed to take the matter up with the Telephone Company. The latter, whilst at first of the opinion that as it was an American company any other investigating experts should include one of American nationality, had ultimately agreed to consider the appointment of a Japanese expert could one acceptable to them be secured. A further difficulty had arisen in that the Chinese were now pressing for the appointment of a Chinese expert. The original idea was that there would be one expert to report to the special Committee but in view of the events reported above he suggests that it would perhaps be better to rescind the previous decision and appoint a Committee of three experts to report direct to the Council. The Chairman emphasizes that the Company is extremely dissatisfied with the turn events have taken and with the fact that every time an agreement is reached, further proposals are put forward by the Council and feels that it would perhaps have been better advised to have gone to arbitration in the first place. However, the discussions which both he and the Secretary General had had with the Company gave them the impression that if a Chinese and a Japanese expert could be found who would be satisfactory to the Company, the latter would agree to the appointment of an investigating committee of three experts in place of the proposal previously agreed.

The Secretary General states that the name of Dr. Inada, retired Director General of the Japanese Bureau of Telephones and Telegraphs and a well known telephone expert, has been submitted in this connection. He

June 24, 1935. 60

understands from enquiries made that the appointment of this gentleman would be acceptable to the Japanese community and to the Company also, although the latter will not give a definite reply until officially requested.

Mr. Killery enquires whether other nationalities should not be represented; Mr. Franklin adding that claims for the appointment of an American expert could be supported on the grounds that American subscribers outnumber Japanese. The Treasurer remarks that Chinese subscribers greatly outnumber those of all other nationalities. The Chairman considers that it is necessary to keep the Committee within reasonable limits as regards members on the score of expense and to avoid delay in the investigation.

Mr. Porter observes that the Council will be placed in an awkward position if a decision is arrived at which the Company refuses to accept, to which both the Chairman and the Secretary General reply that in their opinion the Company will accept the proposed committee of three experts.

Mr. Franklin considers it unfair to the Company to appoint a Committee in which Chinese and Japanese are in the majority since it was these two communities who were opposed to an increase in rates. Mr. Kiang favours adoption of the Chairman's proposal and with regard to Mr. Franklin's remarks expresses the opinion that inclusion of Chinese and Japanese experts on the committee will tend to a more ready acceptance of the Committee's findings by these two communities if such conclusions are in favour of the Company. Mr. Liddell suggests that it would be possible to have an American representative on the committee, although not necessarily an expert, to which the Secretary General replies that this could be left to the Company to suggest. The Chairman agrees.

Mr. Carney enquires as to the terms to be offered to the Japanese expert. The Secretary General replies that the usual procedure will be followed under which Dr. Inada will be asked whether and on what terms he would be prepared to accept appointment. Dr. Inada would be on the same footing as Major Brown and would presumably require the equivalent terms.

Mr. Yamamoto expresses doubt as to whether the Council should appoint only one committee consisting of experts. The Chairman replies that this is a matter for the Council to decide and that the committee as now proposed would more closely follow the lines of the resolution passed at the Ratepayers' meeting than the committee previously agreed to. Mr. Porter suggests that the committee might be empowered to co-opt lay members if necessary; the Chairman however does not consider that such additional members would be of much assistance.

Upon the Chairman's proposal it is thereupon

RESOLVED (a) that the previous decision regarding the appointment of a special committee be rescinded (b) that subject to the agreement of the Shanghai Telephone Company, the special telephone committee shall consist of three telephone experts viz: one British, one Japanese and one to be nominated by the Chinese members of Council, and (c) that Dr. Inada be approached as to whether and on what terms he would be prepared to accept appointment to the above committee.

Special Telephone Committee - Terms of Reference. - The draft Terms of Reference

8/2/36 for the Special Telephone Committee which have been agreed between the Treasurer & Controller, the Acting Secretary and the Shanghai Telephone Company, copies of which have been supplied to members, are submitted.

The Chairman states that in view of the decision arrived at with regard to the appointment of a committee of experts it will be necessary to amend the wording of the draft. He suggests that the draft Terms of Reference be approved in principle subject to such modifications as are necessary to meet the altered conditions.

Mr. Urabe states that if the questions of Depreciation, United States Income Tax and Management Fee are excluded from the investigation as suggested, he does not see how the Committee can come to a decision on the question of an increase in rates. The Treasurer & Controller points out that while it has been agreed with the Company that these three questions shall be reserved for future negotiations and if necessary arbitration it will be possible for the experts to express an opinion on all matters incidental to their investigation. The Acting Secretary reminds members that these three points will be excluded from the Company's expenses in framing any tariff. This is confirmed by the Treasurer & Controller. Mr. Urabe considers that investigation of the capital investment of the Company should be included in the Terms of Reference. The Treasurer & Controller points out that this item is included in Clause I.

It is thereupon

RESOLVED that the draft Terms of Reference for the Special Telephone Committee as submitted be approved in principle subject to such modifications as may be necessary to accord with the decision to appoint a committee of three experts.

Ricsha Special Committee - Recommendations. - The Chairman of the Ricsha Special

K23/ Committee explains the suggested reconstitution of the Board of Trustees and the Board of Management of the Pullers' Mutual Aid Association, showing that the main point of discussion was the number of community members who should be represented on the Board of Management.

The Ricsha owners wish for not more than two, and some members of the Committee thought it essential that there should at least be four or five.

The Secretary General says that since the meeting he has attempted to test the feeling of the owners on this point, and invited one of the most extreme to discuss the matter with him. Though he was not able to see him personally, he understands that the owner expressed his willingness to agree to the Committee's recommendation of four community members on the Board.

Mr. Kiang says that a Board of thirteen members as suggested, is a rather unfortunate number, and proposes that it be increased to fifteen by the inclusion of one more member each from the Chinese Chamber of Commerce and the Chinese Ratepayers' Association.

The Chairman asks Mr. Lambe whether on behalf of the Ricsha Committee he would agree to Mr. Kiang's suggestion, and Mr. Lambe replies that if the Board is to be increased at all he considers the most appropriate additions would be further community members.

Mr. Liddell supports Mr. Lambe's view, stating that under the present arrangement community members' representation has been reduced from seven to four.

Mr. Kiang says that in view of the owners' attitude Mr. Lambe's suggestion is not a practicable one. The owners, he believes, are quite ready to use the pullers as a weapon, and if they refuse to collect their dues from them, the Association will necessarily die from lack of funds. It must not be thought that the Chinese Chamber of Commerce and the Chinese Ratepayers' Association were eager to appoint representatives to the Board. Membership involved an expenditure of time which only the more public spirited would undertake, after considerable persuasion.

Mr. Hsu explains that the owners' real objection to community members or "social workers" is the vagueness of the classification. All the other members represent definite associations or principles. He asks:- What is the standing of the social worker, and on what principles is he appointed? The owners feel that almost anyone, possibly with little knowledge of their conditions and point of view, may qualify for appointment. They prefer someone they know and can trust to persons, however able, within such a wide and loosely-constructed category.

Mr. Lambe, Mr. Fessenden (speaking as a member of the Ricsha Special Committee) and Mr. Liddell, after discussion, suggest to Mr. Kiang and Mr. Yu Ya Ching that they will agree to only three community members on the Board instead of four, as previously recommended. Mr. Kiang and Mr. Yu Ya Ching accept this proposal, and the Committee's recommendation is amended accordingly.

It is therefore

RESOLVED that the composition of the Board of Trustees and the Board of Management respectively of the Pullers' Mutual Aid Association shall be as follows:-

(1) Board of Trustees:-

Three members, comprising one member of the Ricsha Board and two other persons to be nominated by the Chinese Chamber of Commerce and the Chinese Ratepayers' Association; one of these two members to be a member of the Chinese Chamber of Commerce and the other to be a prominent Chinese banker.

(2) Board of Management:

The Members of the Ricsha Board

Two registered ricsha owners chosen by the registered ricsha owners.

Two licensed ricsha pullers (to be appointed only when machinery for the election of these two members by the pullers has been devised, and approved by the Council.)

One member from the Chinese Chamber of Commerce.

One member from the Chinese Ratepayers' Association.

Three community members.

The meeting terminates at 6.05 p.m.



Acting Chairman.



Acting Secretary.

At the meeting of the Council held on Wednesday, July 10, 1935, at 4.30 p.m.

there are:-

Present:

Messrs. W. P. Lambe (Acting Chairman)

J. W. Carney

Chen Chieh

C. S. Franklin

W. Gookson

S. L. Hsu

E. Y. B. Kiang

J. H. Liddell

H. Porter, C.M.G.

T. Urabe

T. Yamamoto

Yu Ya Ching

The Treasurer & Controller

The Chairman of the Ricscha Board

The Secretary General

The Acting Secretary, and

Dr. J. C. H. Wu.

Absent:

Messrs. H. E. Arnhold

V. St. J. Killery.

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

4/21/35 Land Commission - Chinese Representation. - Arising out of these Minutes, the Secretary General reports that as a result of the good offices of Mr. Hsu and others, the Council has been informed by the Senior Consul that the Nanking Government has now agreed to the inclusion of two Chinese Members in the Land Commission. The matter is therefore satisfactorily adjusted.

Ricscha Board - Report for June. - The Report of the Ricscha Board for June, ^{K25/1} copies of which have been furnished to members, is formally received.

The Chairman of the Ricscha Board withdraws.

The Minutes of the meeting of the Watch Committee of June 25 are submitted and confirmed, subject to the following observations:-

K3/12 Fire Brigade Quarters and Office Accommodation. - The Treasurer & Controller reports that he has now undertaken the investigation mentioned in the Minute as to the costs and saving arising out of the proposed scheme, and is satisfied with the results.

J22/1 Spurious Liquors - Manufacture and Sale. - The Acting Secretary reports that in the opinion of the Municipal Advocate the new provisions of the Chinese Criminal Code give as ample additional powers for the police to deal with the manufacture and sale of misleadingly labelled liquors, as would be given by the suggested licence conditions, and that there-

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the suggested regulations are rendered unnecessary.

It is accordingly agreed that the official reply to the Foreign Wine, Spirit and Allied Trades Association's letter shall include reference to these new provisions in the Chinese Criminal Code.

Unlighted Ricshas - Outside Roads. - Arising out of discussion on the above
86/2 Minutes, Mr. Liddell mentions that he has often observed ricshas working completely unlighted after dark in Outside Road areas. He considers this is highly dangerous, both to riosha pullers and passengers, and to passing cars.

The Acting Chairman asks that the Acting Commissioner of Police be instructed to furnish a report on the matter before the next meeting.

The Minutes of the meetings of the Orchestra & Band Committee of June 26 and July 5 are submitted. Those of the former meeting are confirmed, and discussion ensues on those of the latter, which recommend:-

EJ/2 Reorganisation of the Orchestra & Band. - Mr. Franklin approves the res-
lution for disbandment, but suggests that the date for termination should be altered from April 30 to May 31st, 1936, in view of the arrangements necessary to be made after the Ratepayers' Meeting. He considers that the Ratepayers should be given full opportunity to choose between abolition of the Orchestra without any organisation in substitution, and abolition only put into force in order to create a new body.

Mr. Gockson states that the present financial position in Shanghai may quite conceivably make Ratepayers wish to dispense with the Orchestra altogether.

The Acting Chairman suggests that Recommendations Nos.2 and 3 be adopted, subject to Mr. Franklin's proposed alteration of the date of disbandment, but considers that Recommendations Nos.1 and 4 tend to bind the Council unnecessarily at the present moment. He thinks it preferable that the decision should first come from the Ratepayers as to whether a new orchestra "of the present size", as mentioned, is really what they wish for.

Mr. Porter asks whether a special meeting of the Ratepayers could not be called in the Autumn to take a free vote on the subject, but the Acting Chairman points out the practical difficulties of such a course.

Mr. Liddell says that the adoption of Recommendations Nos.2 and 3 by themselves gives the appearance of a Resolution authorizing abolition of the Orchestra without any consideration of a substitute. Mr. Franklin and Mr. Porter support this view, and suggest that some reference should be made in the Resolution to the present reorganisation scheme. The Acting Secretary suggests that if the reorganisation scheme is not brought to the Ratepayers' notice by a formal Resolution of the Council as a whole, means would be taken to ensure that it is brought up at the Ratepayers' Meeting by some Member as an individual, in order

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that it is not overlooked.

The Treasurer states that in his opinion the reorganisation scheme is sound in principle, subject to further consideration of detail, and assuming that it is the wish of the Ratepayers to retain an Orchestra of the same size as at present.

Mr. Porter suggests publication without comment of the plans for reorganisation.

The Acting Chairman proposes that Recommendations Nos. 2 and 3 be adopted, and an addition be made that "the necessary and appropriate steps be taken to bring the matter of re-organisation before the Ratepayers' Meeting."

After discussion it is agreed, on the suggestion of the Secretary General, that in view of the somewhat complicated situation the Acting Secretary should be asked to compile for circulation a Memorandum on the Band Committee's proposals, in the light of the present discussion, and bearing in mind any other considerations involved. It is proposed that with the aid of this Memorandum the whole circumstances be reviewed at the next Meeting or by circular.

Special Telephone Committee - Personnel. - Correspondence on this subject is
4/2/11 submitted as follows:-

- (1) Letter dated June 25, 1935, from the Acting Secretary to the Telephone Company, suggesting the appointment of three experts to report to the Council on the telephone situation, and identifying them as Major Brown (British), Dr. Inada (Japanese) and a nominee (name not yet available) from the Chinese Members.
- (2) Letter dated July 3rd 1935, from the President of the American Chamber of Commerce to the Acting Secretary, expressing the view that an American expert should also be appointed to the Committee.
- (3) Letter dated July 8, 1935 from the Acting Secretary to the Telephone Company, informing the Company of the nomination of Mr. Z. H. Hu by the Chinese Members of Council.
- (4) Letter dated July 10, 1935 from the Telephone Company to the Acting Secretary, accepting the Council's proposals of June 25, and approving the name of Mr. Z. H. Hu, provided an American expert is added to the group, as suggested by the American Chamber of Commerce.

The Acting Secretary says that he understands a high official of the American Telephone & Telegraph Corporation is probably available and suitably qualified for inclusion among the experts, and the Acting Chairman remarks that he hopes the Telephone Company's offer of July 10 will be unanimously accepted.

Mr. Liddell asks if in view of a saving in expense the American Chamber of Commerce has been approached as to its willingness to accept a non-expert American member, but the Acting Secretary points out that the Chamber of Commerce expressly stipulated in their letter for an expert. The Secretary General says he is quite certain that the only way to avoid the lengthy and expensive method of Arbitration is to accept the Telephone Company's conditions without further demur, and in this he is supported by Mr. Franklin.

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Mr. Porter expresses doubt as to the certainty of the Experts' decisions being accepted by all parties as final, and says there may be a chance of having to go to arbitration even after their deliberations are complete.

Mr. Carney asks what salaries will be offered to the Experts selected, and the Acting Secretary replies, that they will be asked to state their terms. The Secretary General remarks that with men of their standing it is not the Council's policy to attempt to bargain, but that the salary agreed with Major Brown would be taken as a basis for calculation should there be any wide divergencies in the amounts asked by the other experts.

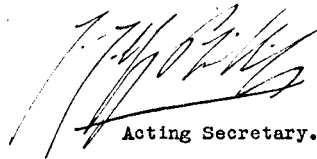
It is therefore

RESOLVED that a Special Telephone Committee of experts be formed to report to the Council. This Committee will consist of four Members, namely, Major Brown (British) Dr. Inada (Japanese) Mr. Z. H. Hu (Chinese) and one American member not yet selected.

The Acting Secretary says it is hoped that all the Telephone Experts will be available in Shanghai by about August 11, the date of Major Brown's arrival. The name of the American Expert and the terms asked by him and the Chinese and Japanese members of the group will be circulated for approval as soon as received.

Letter of Condolence - the late Sir Skinner Turner. - The Acting Chairman
M/s informs members that he has received a letter from Mrs. Reader Harris, thanking him for the message of condolence sent her on behalf of the Council upon the death of her Father, and stating that she is forwarding the latter to Lady Skinner Turner.

The meeting terminates at 5.35 p.m.


Acting Secretary.


Acting Chairman.

At the meeting of the Council held on Wednesday, July 24, 1935, at 4.30 p.m.

there are:-

Present:

Messrs. W. P. Lambe (Acting Chairman)

Chen Chieh

C. S. Franklin

W. Gockson

S. L. Hsu

E. Y. B. Kiang

V. St. J. Killery

J. H. Liddell

H. Porter, C.M.G.,

T. Urabe

T. Yamamoto

The Treasurer & Controller

The Chairman, Ricsha Board

The Secretary General, and

The Acting Secretary.

Absent:

Messrs. H. E. Arnhold

J. W. Carney

Yu Ya Ching.

The Minutes of the last meeting of July 10 are confirmed and signed by the Acting Chairman.

82/16 Special Telephone Committee - Personnel. - The Acting Secretary reports that Mr. J. G. Wray, the American Expert who was nominated, has accepted the Council's invitation, on terms almost exactly similar to those governing Major Brown's appointment. Professor Inada and Mr. Z. H. Hu have stated that they would prefer to discuss the question of their terms on arrival in Shanghai; the Acting Secretary feels sure that these will not exceed what has been agreed with the British and American Experts. He hopes that all four experts will be in Shanghai and ready to commence their investigations about the middle of next month.

96/2 Unlighted Ricshas - Outside Roads. - The following report from the Acting Commissioner of Police is submitted:

"I have to state that the ricshas referred to by the Member of the Council carry a Special Western Area licence issued by the Chinese Authorities.

They are not in possession of Council licences, and in view of the present attitude of the First Shanghai Special Area District Court, who refuse to take jurisdiction over offences occurring on Extra-Settlement Roads, the Police are unable to take any action. Unofficial representations have been made to the Officer-in-charge of

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the 6th Division, Public Safety Bureau, and from recent observation it has been noted that a decided improvement has been effected."

The Acting Chairman thanks the Acting Commissioner of Police for his explanation of the position, and says it is hoped that he will continue to use his good offices in the proper quarters to secure a permanent improvement in the situation.

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

The Minutes of the meeting of the Education Board of July 12, are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of July 18, are submitted and confirmed.

K16/4 Motor Horn Nuisance. - Mr. Killery asks if there is any legal barrier to the Council prohibiting the use of all horns except bulb horns, and if not, whether some action cannot be taken along these lines. The Acting Secretary says that he would like notice of the question before giving an opinion but that he will discuss the matter with the Acting Commissioner of Police. Mr. Liddell says that in Tokyo, he believes that washers are used to deaden sound.

K3/16 Fire Brigade Building Development - Amoy Road Gaol Site. - Arising out of the minutes on this subject, and in particular the report of the Treasurer & Controller stating that the development of the Brigade since 1910 has been abnormal and that staff development calls for investigation with a view to reduction in personnel, the Acting Chairman states that he has considered the matter since the meeting of the Watch Committee and has had discussions with certain members and with the Treasurer & Controller, and on his suggestion it is

RESOLVED that a Sub-Committee consisting of Messrs.

Carney, Killery and Urabe, be formed to report on the organization and cost of the Fire Brigade.

The Minutes of the meeting of the Finance Committee of July 19, are submitted and confirmed.

K25/11 Ricsha Board - Report for July. - The report of the Ricsha Board for July is submitted. The Acting Chairman states that he considers it includes only one point that may be controversial. This is the proposal that the Council should begin to put a compulsory licensing system into force as from September 1, 1935. A memorandum has been submitted by the Acting Secretary urging that a decision be postponed until the registration of unlicensed pullers is completed and the Pullers' Mutual Aid Association has announced its proposed relief schemes, and in agreement with ^{this} ~~the~~ Acting Chairman personally would support a postponement of the date. He would welcome any observations the Chairman

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of the Ricscha Board may have to make on the situation.

Mr. Massey replies that he feels it is a pity to leave the ricscha pulling industry in an indeterminate condition for too long. Licensing having ceased on July 31 he thinks the natural date for making it compulsory would be August 1, but postponement until September 1 is advocated to allow of previous registration of unlicensed pullers. Further delay, he considers, savours of vacillation and is to be deprecated. Also until compulsory licensing is enforced it will be difficult to refuse to register unlicensed pullers, who will continue to drift in from country districts as the Harvest is completed.

Mr. Killery asks the Acting Secretary what date he would suggest for commencing to enforce licensing regulations, and is answered that consideration at the first meeting after Recess would enable full information to be available and yet avoid undue delay.

Mr. Franklin adds that the Chairman of the Ricscha Board has said himself that a fortnight's postponement is not of great moment. Since his original proposal was for enforcement from September 1, and the Council meeting at which it is now suggested that the matter be settled is on September 4, the amount of delay necessary would not be more than two weeks. In the circumstances he favours postponement, and in this he is supported by Mr. Kiang. Members concur.

The report of the Ricscha Board is therefore formally received, subject to the date of commencement of the enforcing of licensing conditions being left for determination at the next meeting of the Council, on September 4. It is agreed that registration of unlicensed pullers should cease by the end of August.

Board of Film Censors - Vacancy. - The Acting Secretary explains that a
F4/1 balance in representation is preserved on this Board between the sexes and the various nationalities interested.

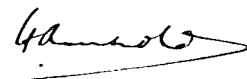
Mr. Carney has submitted the name of Mrs. Dorothy Nicholls, of 278 Hungjao Road, an American citizen, to fill the existing vacancy and the nomination is considered by the Council.

As Mr. Carney is not present and no other member knows anything of the lady in question, it is agreed, on the suggestion of Mr. Franklin, that action be deferred subject to further investigation, and that the matter be then settled by circular.

The meeting terminates at 5.15 p.m.



Acting Secretary.



Chairman.

At the meeting of the Council held on Wednesday, September 4, 1935, at

4.30 p.m., there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 W. P. Lambe (Vice-Chairman)
 J. W. Carney
 Chen Chieh
 C. S. Franklin
 W. Gockson
 S. L. Hsu
 E. Y. B. Kiang
 J. H. Liddell
 H. Porter
 T. Urabe
 Yu Ya Ching

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

Absent:

Messrs. V. St. J. Killery
 T. Yamamoto

The Minutes of the last meeting (July 24) are confirmed and signed by the
 Chairman.

Special Telephone Committee. - The Acting Secretary reports that the
 Telephone Experts have now worked out a programme for their investiga-
 tions and hope to submit their official Report to the Council at its
 meeting on October 2. They propose to remain in Shanghai until the
 next subsequent meeting (October 16) in order to answer any queries
 which may arise on the Report.

Board of Film Censors - Vacancy. - The Acting Secretary reports that as
 the member who was believed to be resigning from the Board has agreed to
 continue in office, the expected vacancy does not arise and no new
 appointment is necessary.

The Minutes of the meeting of the Orchestra & Band Committee of August 29
 are submitted and confirmed.

Ricsha Board - Report on Pullers' Licensing. - The Report of the Chairman of
 the Ricsha Board on Pullers' Licensing is submitted. The Ricsha Special
 Committee, at its meeting on September 2 unanimously approved the
 report and recommended its acceptance by the Council.

Members concur, and it is

RESOLVED

(1) That the Licensing Stations be re-opened for a short period to registered ricsna pullers only.

(2) That as from September 15, 1935, no ricsna puller be allowed to ply for hire unless either licensed or registered, and carrying his licence badge or registration certificate on his person.

(3) That the plan for relief work among unlicensed pullers set out in the Report of the Chairman of the Ricsna Board be approved in principle.

Pullers' Mutual Aid Association - Appointments to Board. - The Acting

K/S/6 Secretary reports that two nominations have been received from the Chinese Chamber of Commerce and the Chinese Ratepayers' Association for appointments to the Board of Trustees of the Pullers' Mutual Aid Association. These are Mr. Ku Kien-zung (a member of the Chinese Chamber of Commerce) and Mr. C. M. Shu (of the National Commercial Bank, Shanghai.)

Three Community Members have also been suggested for appointment by the Council to the Board of Management, namely Dr. T. T. Chiu (of the University of Shanghai, ^{and the} Yangtzepeoo Social Centre), Dr. Y. S. Han (Professor of Education, St. John's University), and Mr. L. Todnem (of the American Bible Society).

It is

RESOLVED that the appointment of Mr. Ku Kien-zung and Mr. C. M. Shu as Trustees of the Pullers' Mutual Aid Association and of Dr. T. T. Chiu, Dr. Y. S. Han and Mr. L. Todnem as Members of the Board of Management be approved.

The meeting terminates at 4.55 p.m.



Chairman.



Acting Secretary.

At the meeting of the Council held on Wednesday, September 18, 1935, at

4.30 p.m., there are:-

Present:

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

The Deputy Treasurer
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. Chen Chieh
 E. Y. B. Kiang.

The Minutes of the meeting of September 4 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Watch Committee of September 9 are submitted and confirmed.

The Minutes of the meeting of the Traffic Committee of September 9 are submitted.

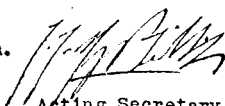
K16/4 Motor Horn Nuisance. - Arising out of these Minutes, Mr. Killery asks whether it is the opinion of the Council that the recommendations of the Commissioner of Police as modified by the Traffic Committee are likely to make an appreciable change in conditions. He also enquires whether the Commissioner of Police is satisfied with the recommendations as modified. Mr. Killery speaks of the satisfactory traffic conditions in Tokyo, where bulb horns only are permitted to be used.

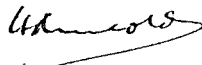
After discussion it is finally

RESOLVED that the new traffic Regulations regarding motor horns recommended by the Traffic Committee be approved and put into force, on the understanding that if after a reasonable time they are found not to be sufficiently stringent, the matter will again be brought up for consideration.

Subject to this condition the Minutes of the Traffic Committee are confirmed.

The meeting terminates at 4.45 p.m.


 Acting Secretary.


 Chairman.

At the meeting of the Council held on Wednesday, October 2, 1935, at 4.30 p.m.

there are:-

Present:

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

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

Absent:

Messrs. Chen Chieh
 W. Gockson

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

The Minutes of the meeting of the Education Board held on September 25 are submitted and confirmed, subject to reference to the Health Committee of the question of defective eyesight among children of school age.

The Minutes of the meeting of the Library Committee held on September 27 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee held on September 30, are submitted and confirmed.

Pullers' Mutual Aid Association - Election of Pullers' Representatives. -

11/25/36 The Minutes of the Ricscha Special Committee held on September 26 are submitted, together with a report from the Secretary of the Pullers' Mutual Aid Association, detailing a scheme suggested by the Association for the election of Pullers' representatives to the Board of Management. The Ricscha Special Committee recommends that this scheme be approved, subject to the drawing for electors being conducted by three independent scrutineers, instead of one, as suggested.

Mr. Franklin suggests that with nearly 40,000 pullers licensed, the selection of one elector per hundred pullers creates too large and unwieldy a body for effective working. He suggests that one

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elector might be chosen per two hundred pullers, thus reducing the maximum number of electors to something less than 200. The Acting Secretary replies that the more Electors it is possible to have the more representative the scheme will be, and points out that in practice only a very small proportion of electors are likely to attend. The Chairman, Mr. Kiang and Mr. Lambe enlarge on this point, and Mr. Franklin explains that his remark was merely an observation and not a formal amendment to the Scheme. Mr. Yu Ya Ching, the President of the Kianggeh Guild and a member of the Chinese Chamber of Commerce are suggested and approved for the position of scrutineers. Mr. Massey explains that Pullers' Representatives, like other officials of the Pullers' Mutual Aid Association, are to be unpaid.

After discussion it is

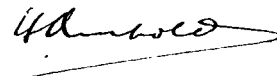
RESOLVED that the scheme evolved by the Pullers' Mutual Aid Association, as amended by the Special Ricscha Committee, for the election of Pullers' Representatives to the Board of Management of the Association be approved.

K25/1
New Model Ricscha. - Certain ricscha owners have criticised the new model Ricscha and ask that the Council shall re-open the matter and withdraw its approval of the type. In accordance with the recommendation of the Ricscha Special Committee, it is however

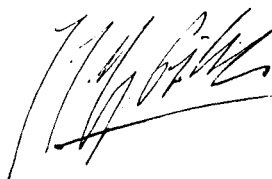
RESOLVED that no action be taken on the criticisms received regarding the New Model Ricscha and that the Council reasserts its previous approval.

82/16
Special Telephone Committee. - The Acting Secretary reports that the Telephone Experts regret that new data, which has reached them only very lately has precluded them from submitting their finished Report to the present meeting, as promised. The report will however be complete and available within the next few days.

The meeting terminates at 5.10 p.m.



Chairman.



Acting Secretary.

At the meeting of the Council held on Wednesday, October 16, 1935 at
4.30 p.m., there are:-

Present:

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

The Treasurer & Controller
The Chairman of the Ricsha Board
The Secretary General, and
The Acting Secretary.

Absent:

Messrs. W. Gockson
S. L. Hsu

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

g 2/16 Special Telephone Committee. - The Chairman informs members that the Special Committee of Telephone Experts has not yet been able to submit its report, but that this is expected to be completed by the end of the present week.

The Minutes of the meeting of the Staff Committee held on October 4, are submitted and confirmed.

The Minutes of the meeting of the Education Board held on October 9 are submitted and confirmed.

K 25/1 Ricsha Board - Report for September. - The Ricsha Special Committee, at its meeting held on October 14th, considered and endorsed the Ricsha Board's report, except as regards proposed alterations in Ricsha standard rentals, and the question of future reduction in the number of public ricsñas. The Committee recommends that action in both of these cases be deferred for the present, and the Council approves the Committee's recommendation that the Ricsha Board's Report be adopted, with these reservations.

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Pullers' Mutual Aid Association - Election of Pullers' Representatives to

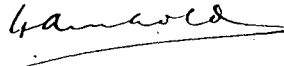
Kis/6 Board of Management. - The Chairman of the Riosha Board asks the authority of the Council for slight alterations in the arrangements for the forthcoming election of pullers' representatives. He proposes that a second notice to Electors be sent, (through the Chinese Ratepayers' Association), that the date of the Election be postponed for three days to allow of the greatest possible measure of previous publicity, and that the names, as well as the registered numbers of Electors, be publicly advertised.

Mr. Kiang, speaking on behalf of Mr. Yu Ya Ching, who will be one of the scrutineers at the Election, states that public advertisement is desired, to prove that all Electors have in fact been notified, and to act as a check against possible miscarriage of individual notices through the post.

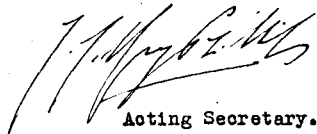
Members approve these alterations in procedure.

X7/11 Land Commission. - The Acting Secretary reports, for the information of Members, that Mr. Wong Pah-yuen has resigned from the membership of the Land Commission, and that Mr. T. Z. King; (Chin Tsang-Cheng) has been elected by the Chinese Ratepayers' Association to fill the vacancy.

The meeting terminates at 5.10 p.m.



Chairman.



Acting Secretary.

At the meeting of the Council held on Wednesday, October 30, 1935, at 4.30 p.m., there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 J. W. Carney
 Chen Chieh
 C. S. Franklin
 W. Gockson
 E. Y. B. Kiang
 V. St. J. Killery
 J. H. Liddell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching

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

Absent:

Messrs. W. P. Lambe
 S. L. Hsu.

The Minutes of the meeting held on October 16, are confirmed and signed by the Chairman.

The Minutes of the meeting of the Health Committee, held on October 15, are submitted and confirmed.

The Minutes of the meeting of the Watch Committee held on October 18 are submitted and confirmed.

The Minutes of the Orchestra & Band Committee held on October 25 are submitted and confirmed.

Letter from Messrs. Hansons. - There is submitted for the consideration of ^{B14/6} members of a letter from Mr. G. H. Wright, of Messrs. Hansons. Letters sent to Messrs. Hansons by the Deputy Treasurer (Revenue) and the Treasurer & Controller, to which Mr. Wright refers, and comments thereon by the Secretary General, the Treasurer & Controller and the Acting Secretary are also submitted.

Mr. Wright complains of the terms used in a demand on Messrs. Hansons from the Deputy Treasurer (Revenue) for the payment of land tax. He particularly resents what he considers to be the possible implication of the words "withholding payment" in this letter. Upon receipt of the communication he approached a Member of the Council in person, asking for the letter to be withdrawn; as a result of this the Treasurer & Controller wrote officially to Mr. Wright, supporting the action of the Deputy Treasurer (Revenue), and stating that the letter will not be withdrawn unless by the specific instructions of the Council.

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Oct. 30, 1935. .

Mr. Wright now submits both the letters sent to him, with the request that the Council shall inform him officially whether they are considered fit and proper communications to be addressed to a Ratepayer by Municipal Officers.

The Chairman says he has seen Mr. Wright, and the Secretary-General states that he has also interviewed him, and gained the impression that he has not the slightest justification for his present attitude. No reflection on him was intended or reasonably to be implied from the letter. The Complainant is evidently actuated by some personal feeling, quite apart from the merits of his case, which appear to be negligible.

The Treasurer & Controller, in explaining his action, states that owing to the depression and wide-spread economic distress in Shanghai, the Revenue Office is experiencing a very difficult and distasteful period in the execution of its duties. Complaints such as Mr. Wright's would tend to impair morale unless vigorously dealt with; in particular he feels that a firm reply was needed in this case, since Mr. Wright was the Council's legal Adviser, who of all people should realise the present difficulties of the Administration and the correct procedure in cases of dissatisfaction. As the responsible officer, he could not allow members of his Department to be unfairly attacked without seeing that they were adequately defended.

The Chairman considers that the Council would be ill-advised to interfere between permanent officials in the proper execution of their duties and members of the public, unless much better cause were shown than in the present instance. Members agree.

The Acting Secretary asks whether it is the wish of the Council that he shall reply to Mr. Wright saying that the letters addressed to him are not considered improper, and that the words complained of are not considered and were not intended to bear a derogatory meaning.

Mr. Kiang is of opinion that the latter part of the suggested reply is unnecessary; but the Chairman points out that a little conciliation never does harm, and on the suggestion of the Secretary General it is

RESOLVED that a reply be sent to Mr. Wright expressing the opinion that the letters complained of are not improper.

80/5
China General Omnibus Company - Change of Fares. - The China General Omnibus Company has informed the Council of a change of fares which it is proposed to put into force on November 1. The matter was discussed by the Public Utilities Committee at its meeting held on October 28, when the Acting Secretary was instructed to write to the Company, enquiring what reasons they could bring forward to support an increase in omnibus charges, which, unless good cause could be shown, was to be deprecated at the present time. This letter and the Company's reply are submitted,

together with their original communication and a report thereon by the Treasurer & Controller.

The Chairman remarks that as he is interested in the Company he does not propose to take part in the discussion.

The Acting Secretary explains that the proposed fares will still be less than the legal maximum set out in the Company's Agreement with the Council. This being the case, the Company is under no obligation to apply to the Council for permission to make the change, but needs merely to give notice of its intention, so that the Council may comment.

The Treasurer & Controller adds that this is not merely a rate increase. It appears that the Company have had a rather unscientific rate schedule for a long time, which it is now proposed to revise on a better basis. The Company claims in its letter that the change is also necessitated by the continued depreciation in copper coinage, and he considers that this point cannot be contested. To what extent the travelling public will be affected, it is impossible to say. There may possibly be some reaction in the Tramway Company's charges.

Mr. Kiang opposes a rate increase, and asks that the Company's second letter be referred back to the Public Utilities Committee for consideration.

Mr. Carney asks why new rates are not put into operation throughout the service, since the reason given for them - namely depreciation in copper coinage - applies equally on all routes, and it is explained that only Route 9 has not been rationalised; this is being deferred pending agreement with the French Authorities.

Mr. Killery says that the recent fall in the value of silver must mean that copper coinage is worth more, and that this is consequently a very unfortunate time to increase fares. He hopes that the Company's letter will be referred back to the Public Utilities Committee. In this he is supported by Mr. Urabe, Mr. Kiang and Mr. Liddell.

Mr. Porter and Mr. Franklin speak in favour of the Council giving an immediate answer to the Company, and Mr. Porter asks whether the correspondence will be published. The Acting Secretary replies that the correspondence will not be published until a decision has been reached. Upon learning of the Council's doubts, the Company at once withdrew their advertisements of the change of fares. Mr. Porter explains that he suggested publication so that the public might appreciate the reasons for the proposed changes. The Acting Secretary says that as soon as a decision has been reached the Press Information Officer would issue a statement.

The Secretary General points out that, though the Council has only persuasive powers in this case, whether the Company will consider it in practice to be in its best interests to exercise its legal rights in face of Members' opposition is quite another matter.

Mr. Kiang says that if, as is said, the Company has waited three years to make this change, an extra ten days will be no further hardship to them.

The Treasurer & Controller states that he is prepared to examine the proposed schedules and discuss them with the Company.

It is accordingly

RESOLVED that the letter from the China General Omnibus Company, giving reasons in support of its proposed alteration in fare schedules, be referred to the Public Utilities Committee for consideration and report, and that the Company be invited to supply any further information.

Public Utilities Committee - Publication of Minutes. - The Public Utilities

42/16 Committee on October 26 discussed the report of the Telephone Experts, and asked several questions which were answered by the experts. No decision was taken, and the discussion was adjourned until Thursday, November 7. It is proposed to hold a special meeting of the Council to consider the matter either on Friday, November 8, or on Monday, November 11.

In view of the public interest in this matter, and of criticisms that have been made against the Council for lack of publicity, it is suggested that as soon as the minutes are ready, an account of the meeting of the Public Utilities Committee be issued to the press. The Secretary General and the Press Information Officer concur in this recommendation.

It is accordingly

RESOLVED that a summary of the Meeting of the Public Utilities Committee of October 26 (when the report of the Telephone Experts was discussed) be issued to the press, immediately after Members have approved a copy of the Minutes and they have been circulated to the Council.

Health Committee - Membership. - The Chairman reports that Dr. Bryson has now

F4/10 returned from long leave. Dr. Parsons has taken his place on the Health Committee during his absence, but now wishes to resign and allow Dr. Bryson to be co-opted for the remainder of the year. Dr. Bryson is willing to serve if co-opted.

It is therefore

RESOLVED that Dr. Parson's resignation from the Health Committee be accepted, and that Dr. A. C. Bryson be co-opted to fill the vacancy thus caused.

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

F3/2 General reminds Members that negotiations with the Chinese Government were commenced in 1931, to effect some standardised form of factory inspection in the Settlement. Investigations were limited to two considerations only, namely health and sanitary conditions, and dangerous premises.

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The negotiations were started several times, but always broke down on the question of administrative control, and the present position is a deadlock.

The Secretary General reports that a proposal has now been received from Mr. O. K. Yui, Secretary General of the Municipality of Greater Shanghai, asking that the views of the Council may be ascertained on a possible way out of the present difficulties. He suggests that a joint group of inspectors be appointed, half of them by the City Government and the remainder by the Council, and that these inspectors shall function in the Settlement under the administrative control of the Council, authority being delegated by the Chinese Authorities for that purpose.

The Secretary General points out that this is not yet intended to involve a definite Agreement. It is merely a suggested basis for negotiations, and approval at this stage will commit the Council to nothing.

The Chairman strongly advises the Council to approve the Scheme, mentioning that negotiations on the subject have dragged on for years, and there now appears a chance of settlement of this difficult preliminary point on favourable terms.

The Secretary General explains that the matter arises particularly in connection with the licensing of Factories. This necessary reform cannot be put in hand until the Council has some means of knowing what the conditions are in the Factories making application for licences.

Mr. Yamamoto says he would like the matter referred to the Employers' Federation before the Council makes a decision, but the Chairman explains that the only question raised at the moment is the general political issue, and the point has not yet been reached where outside organizations need be consulted.

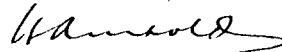
Mr. Kiang speaks in favour of accepting Mr. Yui's proposal, but Mr. Urabe remarks that he would prefer to consult with Japanese Manufacturers first. The Secretary General again emphasizes that he and Mr. Yui have in any case no power to commit the Council in any way. If they reach a basis of agreement the whole matter must then be brought before the Council, where it can be fully discussed before any action is taken. He is only asking for authority to negotiate along the lines indicated.

Mr. Yamamoto deprecates an immediate decision, on the grounds of insufficient information being available at the moment, and it is accordingly


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RESOLVED that consideration of the proposals by the City Government, regarding a scheme for factory inspection within the Settlement, be deferred until the next meeting of the Council.

The meeting terminates at 5.45 p.m.



Chairman.


Acting Secretary.

At a special meeting of the Council held on Monday, November 11, 1935, at

4.30 p.m., there are:-

Present:

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

The Treasurer & Controller
 The Secretary General
 The Acting Secretary, and
 Dr. J. C. H. Wu.

There are also in attendance the four Telephone Experts:-

Major H. Brown M.I.E.E.
 Professor S. Inada M. Jap. I.E.E.
 Mr. J. G. Wray, E. Am. I.E.E.
 Mr. Z. H. Hu, M. Ch. I.E.E.

The Minutes of the meetings of the Public Utilities Committee held respectively
 9/2/16 on October 28 and November 7 are considered. Both of these meetings were
 convened in order to consider the Report of the Special Telephone
 Committee.

On being asked by the Chairman to outline the proceedings of the two meetings, Mr. Liddell states that the first was adjourned to allow of further discussion before arriving at a definite recommendation on the Experts' Report. At the second meeting a vote was taken after considerable discussion, resulting in the recommendation now before the Council that the Experts' Report be adopted. Four members voted in favour of the adoption and four against it, so that the Chairman was forced to use his casting vote to obtain a decision.

As lengthy Minutes of the proceedings in both Meetings have already been circulated to Members of Council, Mr. Liddell says that he will not take up Members' time further by a repetition of the lengthy discussions.

The Chairman thanks Major Brown, Mr. Hu, Dr. Inada and Mr. Wray for the very able and lucid report which they have submitted. He says that the Public Utilities Committee has examined the telephone problem from every possible angle; its members have had every opportunity of questioning the Experts on the points raised by different sections of the community, and have received very definite replies to all such questions. He considers that it would be wasting the time of the Council to go over the whole ground in detail, and proposes to confine himself to a summary of the situation.

He states that a petition has been received from the Amalgamated Association of Japanese Street Unions, which, whilst agreeing to the message rate, has suggested

- (1) Deferring its application
- (2) reducing the initial charge and increasing the number of free calls;

but the adoption of their proposal would result in the Telephone Company not receiving the return to which it is entitled, and in further capital expenditure and a consequent increase in tariff at a not very distant date.

He understands that Mr. Feng Ping Nan approves of the message rate, but thinks there should be a greater number of free calls. The objections already given to the Japanese proposals apply equally to this suggestion.

He believes that Mr. Kiang considers the Telephone Company are entitled to an increase, and that he is in favour of the message rate; but Mr. Kiang feels that in view of the opposition thereto, there should first be an increase in the flat rate, and the message rate should only be introduced at a later date. The Chairman says that this procedure, which visualizes an increase in the rate, ignores the fact that the maintenance of the flat rate involves a further capital expenditure of probably $3\frac{1}{2}$ million dollars, which would necessitate a further increase in the rates at a later date.

The consensus of opinion, in his view, is therefore in favour of the message rate, with certain modifications of the terms; all of these modifications, however, necessitate a further increase in the rate, and therefore do not meet the main objection of those who disapprove of the Experts' Report. Their objection is that the recent increase should be disallowed, and consequently any modification of the Report which will result in a further increase in the tariff will not satisfy them; it is because they will not accept the Experts' view that message rate will mean a reduction to most users that they continue to express dissatisfaction.

The Chairman states that Mr. Singloh Hsu has called on him, and on behalf of the Chinese members of Council, requested him to take up the following points with the Telephone Company:

- (1) The amendment of the message rate schedule recommended by the Experts (i.e., Business \$10 with 150 calls, Residential \$6.50 with 100 calls) so as to provide the following rate:

Business \$10 with 200 calls
Residential \$6.50 " 150 "

- (2) The date on which the above amended schedule shall come into operation. It is suggested that this should be on April 1, 1936, exactly one year after the introduction of the present temporary over-all increase of 11 per cent.
- (3) In the event of the return on the Company's invested capital being any time in excess of the authorized 10 per cent after the introduction of the above amended schedule, the Council should at once request the Company to adjust the tariff charges, with a view to their immediate reduction.

In the event of the return falling short of 10% the Company should refrain from applying for an increase in tariff within a period of five years from the date of introduction of the above amended schedule.

- (4) The Company should be requested definitely to economise further in respect of its expenses for operation and maintenance.

The Chairman says he has explained to Mr. Singloh Hsu that the Telephone Company would be unlikely to agree to the first point, since this would upset the whole tariff. This has subsequently been confirmed by the Treasurer & Controller, the Telephone Experts and by the Vice-President of the Telephone Company.

The Telephone Company is willing to accept the second suggestion, if the date is altered from April 1 to March 1; they also agree to the first paragraph of point No. 3; but they cannot agree to refrain from applying for a further increase of tariff within five years, if the return should fall short of 10%, nor would it be reasonable to press this point, as the tariff is based on a shrinkage of 37½% in the calling rate, and only experience can show whether the percentage of shrinkage will be more or less.

Item 4 is self-explanatory and accepted by the Telephone Company.

The Chairman continues that it is the duty of the Council to act in the best interests of the community as a whole; it must either govern or cease to function. He reminds members that when the Waterworks applied for the introduction of meters, similar criticisms resulted to whose now being made, and there was even some danger of riots. The Council approved of the introduction of the meters, and since then no further complaints have been heard.

He reminds members that the resolution passed at the Ratepayers' Meeting asked for time to study the scheme, and to obtain the opinion of experts. This opinion has now been obtained, and the Council would absolutely stultify itself if it were to ignore it. Further, he considers there is every indication that the French Council will approve of the adoption of the message rate. The Municipal Council would, therefore, make itself somewhat ridiculous if it were now to recommend the French Authorities to ignore the opinion of Experts obtained by the Municipal Council itself at a cost of something like \$100,000.

He reminds members that the previous Council authorized the new Tariff, with the exception of immediate application of the message rate to residential subscribers; and that, as a result of the resolution passed at the 'Ratepayers' Meeting, the Telephone Company were with difficulty induced to await the findings of the Expert Committee, and refrain from demanding immediate arbitration, in accordance with the terms of their franchise. To adopt a negative attitude now that the Experts' recommendations have been made would be an act of bad faith which would seriously damage the prestige of the Council. The Chairman holds that the Telephone Company is entitled to demand either immediate action or arbitration. The result of such arbitration, which at this date could only be based on the Experts' Report, would necessarily be an award of heavy damages being given against the Council.

The Chairman says he has nothing to add to these remarks beyond appealing to the Council to adopt the Minutes of the Public Utilities Committee. He then invites comments or questions from members.

In answer to Mr. Kiang, the Treasurer & Controller reports that the Telephone Company has reiterated its previous undertaking to agree that for a period of one year any surplus revenue over the guaranteed 10% should be placed to the credit of Tariff Revision Account.

Mr. Hsu says that he is in favour of adoption of the Telephone Report, subject to the Chairman's remarks on the four points raised. As to the fourth point, he suggests the appointment of a Sub-Committee of the Public Utilities Committee - such Sub-Committee to include the Treasurer & Controller - to ensure that further economies in respect of operation and maintenance are duly carried out. Mr. Kiang supports this proposal.

The Chairman points out that, under the Telephone franchise, only the Treasurer & Controller is entitled to inspect the books of the Company. If the Council feels strongly on the matter, the Company's views can be obtained, but it cannot be compelled to allow a Sub-Committee to examine its records. Mr. Kiang explains that it is intended that the Sub-Committee should act with and through the Treasurer & Controller.

The Treasurer & Controller remarks that he is in agreement, as a matter of policy, with the appointment of a Sub-Committee of the Public Utilities Committee to consider telephone matters only. He thinks that the Sub-Committee may be a means of saving much examination and research at a later date, and as such is to be recommended.

Mr. Yamamoto and Mr. Urabe bring forward the proposals made by the Amalgamated Association of Japanese Street Unions in the letter now before the Council, particularly as regards the separation of the question of rates from the rest of the Report. The Chairman replies that these proposals would involve increases in the tariff and possibly also further capital expenditure, and that therefore they do not meet the objections

of those who disapprove of the report. Moreover, any such attempted alterations would inevitably cause the Telephone Company to demand arbitration.

In answer to a question by Mr. Urabe as to whether the Telephone Company is able to help the community, in view of trade depression, apart from its strict legal obligations, the Chairman points out that if the report is adopted, the Company will obtain only 8.54% instead of the 10% profit to which it is entitled, and a decrease in revenue of some \$800,000 is visualized thereby.

Major Brown reiterates the Telephone Committee's opinion that the message rate will involve first a shrinkage and then a partial recovery in the calling rate, and Mr. Kiang remarks that he considers the Report should be adopted, in view of the Telephone Company's agreement to limit the risk to subscribers through the suggested changes.

The Chairman states in reply to Mr. Urabe and Mr. Yamamoto that the Telephone Company has already specifically declined the proposals of the Japanese Street Unions, and that both the four Telephone Experts and the Treasurer & Controller support the Company in its refusal to agree to any further alterations in the present tariff arrangements.

Mr. Kiang agrees with the Chairman that the only alternatives are adoption of the Report or going to arbitration, the latter being most undesirable. He says that the Council can see how the new tariff works for a year, and if the income is over the guaranteed 10% then the Council will at once take steps to re-adjust the tariff for the benefit of subscribers. Comparatively speaking, it is a small risk for the subscriber which is now proposed.

Mr. Liddell refers to a general impression that the Japanese and Chinese communities resent the increases more than any other community. This, he says, is not so. He has spoken to many residents of his own nationality who will have to pay the same increase as Japanese and Chinese subscribers and they resent it quite as much, but realise there is no way out of it.

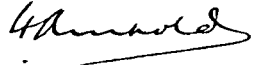
A vote on the Public Utilities Committee's recommendation is then taken, and by ten votes to two it is

RESOLVED

- (1) that the Minutes of the meetings of the Public Utilities Committee held on October 28 and November 7, recommending adoption of the Telephone Special Committee's Report be approved, subject to alteration of the effective date of the proposals from April 1 to March 1, 1936, and subject to the Company's agreement, already expressed, to waive for one year the provision of Clause 16 of the Franchise, whereby one half of any surplus is credited to the Company.
- (2) that the appointment of a Sub-Committee of the Public Utilities Committee, to co-operate on telephone matters with the Treasurer & Controller, be referred to the Public Utilities Committee for action.

The meeting terminates at 5.15 p.m.


Acting Secretary.


Chairman.

At the meeting of the Council held on Wednesday, November 13, 1935, at

4.30 p.m., there are:-

Present:

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

The Treasurer & Controller
 The Chairman of the Ricsha Board
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. W. Gookson
 S. L. Hsu.

The Minutes of the meeting held on October 30, and the Special Meeting of November 11, are confirmed and signed by the Chairman.

F3/2

Factory Inspection - Negotiations with the Chinese Government. -

Arising out of these Minutes, the Chairman states that the Secretary General requests that consideration of this matter be deferred until the next meeting of the Council, when it is hoped the negotiations now in progress will have assumed a more definite form.

The Minutes of the meeting of the Works Committee held on October 29, are submitted and confirmed.

The Minutes of the meeting of the Traffic Committee held on November 1 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee held on November 1 are submitted and confirmed.

The Minutes of the meeting of the Education Board held on November 4 are submitted.

F4/21

Grants-in-Aid - Appointment of Sub-Committee. - It is noted that since the meeting of the Education Board a reply has been received from Mrs. Lamb, one of the ladies invited to serve on this Sub-Committee, that she is unable to accept the position. It is therefore proposed to invite Mrs. J. S. Whitney to fill the vacancy so caused.

A 2/1 Proposed Primary School for Chinese Children - Boone Road, - The
Treasurer & Controller draws attention to clause ^{2 and} 4 of the Education Board's recommendation under this heading; ^{Clause 4} which reads, "That a fee of \$1 a term per pupil be charged, to cover half the cost of stationery used, and that no fees be charged for actual tuition."

He reminds Members that when the new type of primary school was first discussed, in March 1934, he made the following comment to which he still adheres:

"The recommendation that no fees be charged in the new type of primary school involves acceptance of the principle that the Council should provide free elementary education. It would be difficult to justify the limitation of free schools in one or two selected neighbourhoods and the granting of free education to a few only of the large number of Chinese children in the Settlement who at the present time are receiving no education at all. Moreover, I do not consider that it comes within the scope of the Council's responsibilities.

I am averse, therefore, to the proposal that no fees be charged at the new type of primary school, should it be decided in due course to establish one of this nature."

He considers it would be a fatal mistake to embark on a scheme of free education. It is not known what type of children will attend the school, and he suggests that until definite information is available, fees should be charged pro rata on the basis of those at the existing primary schools, bearing in mind that at Boone Road children will only enrol for half day attendances. The fees charged in these Schools are in the Eastern District \$6 a term i.e., \$12 a year.

In regard to Clause 2 the Treasurer & Controller also notes that no maximum age for pupils is defined in the recommendation. In that case there is the possibility of a child getting free education for five or six years - its whole school life. He proposes that the recommendation be either referred back to the Education Board, or amended to allow for fees on a parallel scale with other primary schools.

Mr. Chen Chieh replies that only a three years' course is proposed, and as children must enter between the ages of 7 and 12, they would be in any case less than 16 years old on leaving.

Mr. Porter, on behalf of the Education Board, asks that the point be referred back, together with the comments of the Treasurer & Controller, so that the Board may make the position more clear. Mr. Lambe says that before this is done he wishes to record his decided opinion that a fee of \$1 a term is undesirable, as it amounts in practice to free education, which at the moment the Council definitely cannot afford. The Chairman, Mr. Franklin and Mr. Liddell associate themselves with Mr. Lambe's views, and it is

RESOLVED that Clauses 2 and 4 of the Education Board's recommendation as to the proposed primary School for Chinese Children in Boone Road, together with comments thereon by the

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Nov. 13, 1935.

Treasurer & Controller and views expressed by Members of Council,
be referred back to the Board, for further consideration.

A16/1 Defective Eyesight - Offer by Oculists' Institute. - Arising out of the Minutes of the Education Board, Mr. Carney notes that the offer of the Oculists' Institute for a school eyesight service is recommended to be declined, and he asks whether any alternative scheme is contemplated by the Board. Mr. Porter replies that nothing exactly on these lines has been attempted in view of the cost involved. Even a charge of \$1 a head for every Chinese child in Shanghai would represent a very considerable total expense.

Mr. Kiang suggests that this recommendation also should be referred back to the Education Board for further observation; but the Acting Secretary reminds Members that a recommendation of the Education Board was recently approved by the Council that

"the existing collaboration between the Health Department and the Education Department for appropriate action in case of defective eyesight in children be made even more complete; and that all teachers be encouraged to pay particular attention to questions of hygiene among their pupils, and more especially to imperfect vision."

and that the results of the joint action of the two Departments along these lines will be reported in due course.

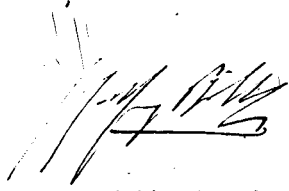
The Minutes of the Education Board, with the exception of clause 4 of the recommendation mentioned above regarding the new primary school in Boone Road are thereupon confirmed.

The Minutes of the meeting of the Health Committee held on November 5 are submitted and confirmed.

K25/1 Ricsha Board - Report for October. - The report of the Ricsha Board for October, copies of which have been furnished to Members, is formally received.

M6/8 Council Chamber - Noise Prevention. - The Acting Secretary reads a letter from the Acting Commissioner of Public Works, regarding efforts made to find the best way of minimising disturbance of Council and Committee meetings through outside noises. The substance of his remarks is that since proper ventilation, audibility inside the Council Chamber, and the deadening of noises from outside must all be considered as desirable, he considers Air Conditioning of the Chamber is the best, if not the only remedy. He states that he is obtaining estimates of the cost of this, and will report again in due course.

The meeting terminates at 5.30 p.m.



Acting Secretary.



Chairman.

At the meeting of the Council held on Wednesday, November 27, 1935, at 4.30 p.m., there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 W. P. Lambe (Vice-Chairman)
 J. W. Carney
 Chen Chieh
 C. S. Franklin
 W. Gockson
 S. L. Hsu
 V. St. J. Killery
 J. H. Liddell
 T. Urabe
 T. Yamamoto
 Yu Ya Ching

The Treasurer & Controller
 The Secretary General
 The Acting Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. E. Y. B. Kiang
 H. Porter, C.M.G.

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

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

The Minutes of the meeting of the Education Board held on November 19 are submitted and confirmed.

The Minutes of the meeting of the Orchestra & Band Committee held on November 20 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee held on November 21 are submitted.

AJ/226 Health Department - Dr. H. Pedersen; Extension of Long Leave for Study Purposes. - Arising out of these minutes it is noted that the recommendation of the Staff Committee is that Dr. Pedersen's application for two months' extension of long leave for study purposes be not granted. Subsequent to the meeting the Commissioner of Public Health has submitted a further report on the matter, feeling that he may not have made himself entirely clear during the discussion. In this report he emphasizes the difference between Dr. Pedersen's proposed courses, which would cost him over £30 in tuition fees, and the casual programmes of occasional professional visits and discussions which any efficient officer is expected to carry out during long leave as part of his ordinary routine, without any special authorization or recognition.

In a report submitted, the Treasurer & Controller replies to this point by stating that he adheres to his previous opinion. In particular he feels it undesirable that the supervising official for so large and recently constructed an undertaking as ^{Abattoir, the} the/wholesale Meat Market and Cold Storage Plant (which has cost some \$3,500,000 and has not yet been completely taken over) should be absent from duty beyond the normal period of seven months' leave. He also considers that, in general, applications for extended leave, especially in the Health Department, are becoming too frequent. He states that this is the seventh application of this kind from one Department within the last eighteen months.

The Chairman invites the Commissioner of Public Health to enlarge on his Report, and the Commissioner states that he does not share the Treasurer & Controller's anxiety as to the administration of the Meat Market. If, Dr. Pedersen were indispensable at any time - which he says is not the case as regards this scheme - it would be during the first few months of operation, when in any event he will be on ordinary Long Leave, and not later on, when the procedure is well established. He holds that if the Market can be taken over adequately for seven months, it can equally well be run for two months longer. As regards this point the Treasurer & Controller remarks that the supervision of the plant is of considerable importance, and the question arises as to whether Dr. Pedersen's leave should not be deferred.

In reply to a question by Mr. Killery as to why Dr. Pedersen should not complete his proposed courses during his normal leave, the Commissioner points out that the French course would take four months and the Copenhagen Course is normally six months in duration.

Mr. Killery then asks if it would be possible to defer this employee's leave altogether for the moment, and allow him nine months away from duty at a later date, when his duties are less pressing.

The Commissioner of Public Health says the plan would need consideration before he can express an opinion. He thinks that the Meat Market can be managed quite satisfactorily in Dr. Pedersen's absence, and also that if leave is once delayed, other equally urgent matters are bound to present themselves in the future.

Mr. Lambe observes that the main point is that applications for extended leave are felt to be growing too frequent, and that at some time a limit must be set to them.

A vote is then taken, and it is

RESOLVED that the Council adopt the Staff Committee's recommendation, that Dr. Pedersen's application for two months' extension of long leave for study purposes be not granted.

43/1344 Health Department - Appointment of Assistant Pharmacist. - Arising out of the Minutes on this matter, the Commissioner of Public Health has reported that since the meeting of the Staff Committee a local candidate apparently adequately qualified for the appointment has submitted an application. He now states, however, that information has subsequently been conveyed to him which makes him desirous of investigating this applicant's circumstances more fully before recommending that he be appointed. Members confirm the recommendation of the Staff Committee on this matter, but agree that action may be deferred, pending investigations by the Commissioner of Public Health into the qualifications of a local applicant.

Subject to this addition, the Minutes of the Staff Committee are confirmed.

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

FJR General reminds Members that at the meeting held on October 30 he asked the Council for authority to approve a proposal made by Mr. O. K. Yui, Secretary General of the Municipality of Greater Shanghai, for a joint group of inspectors within the Settlement, complete administrative control over whom would be exercised by the Council under delegated authority from the Chinese authorities. In deference to the wishes of Japanese members it was however resolved that no action be taken in the matter until the next meeting.

He now reports that he has seen a Delegation from the Federation of Labour as well as addressing members of the Consular Body, and that at both meetings the hope was expressed that he would proceed with the negotiations on the terms suggested by Mr. Yui. He once more emphasizes the fact that it is not intended to commit the Council to any definite scheme. Before ratification the whole question will have to be carefully discussed in meeting. In the circumstances he asks whether the doubts of Japanese Members are now removed.

Mr. Yamamoto says he has no objection to the scheme. His request for delay at the previous meeting was merely to enable him to gain more information about it. Mr. Urabe states that if Inspectors are to be appointed by the Council he approves of the proposal, but otherwise he thinks it undesirable.

The Secretary General and the Chairman explain that it is probable that half the number of Inspectors may be nominated by the Chinese Authorities and half by the Council. They will then all be appointed by the Council, which will issue their pay and control their actions. In effect they will become Council employees. This, however, is only a plan for the future, and at the moment authority is only requested to agree to the principle of a joint inspectorate under Council control by virtue of delegated authority.

It is thereupon unanimously

RESOLVED that the Secretary General be authorized to open preliminary negotiations with Mr. O. K. Yui, Secretary General of the Municipality of Greater Shanghai, on the basis of the latter's proposal for a joint inspectorate controlled by the Council by virtue of delegated authority.

Date of Christmas meeting. - The Chairman suggests that since the second meeting in December would normally fall on Wednesday the 25th, which is Christmas Day, the date might conveniently be altered to Monday, December 23. Members agree.

The meeting terminates at 5.25 p.m.



Chairman.



Acting Secretary.

At the meeting of the Council held on Wednesday, December 11, 1935, at

4.30 p.m., there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 W. P. Lambe (Vice-Chairman)
 J. W. Carney
 Chen Chieh
 C. S. Franklin
 W. Gockson
 S. L. Hsu
 V. St. J. Killery
 J. H. Liddell
 T. Urabe
 T. Yamamoto
 Yu Ya Ching

The Acting Commissioner of Police
 The Treasurer & Controller
 The Chairman, Ricsha Board
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. E. Y. B. Kiang
 H. Porter, C.M.G.

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

The Minutes of the meeting of the Finance Committee held on December 3 are submitted and confirmed.

Staff Economies. - Arising out of these Minutes, the Chairman states that at the Meeting the Treasurer & Controller was asked certain questions on this matter. He has subsequently submitted the following report, dealing with the various points raised by members:-

"In February 1935 revised Terms of Service relating to new appointments became effective. Under this scheme all new appointments, other than specialist ones, are made under Class "L" Conditions of Service. At the end of five years employees so appointed are eligible for transfer to Class "A" Conditions of Service, subject to vacancies in the establishment, under the terms stated in General Order 13103. Whilst it is difficult at the moment to estimate what the saving is likely to be during 1936, the fact that the many replacements in the Police Force and in other departments will be made under these conditions is an indication that the saving may be considerable. The scheme aims at limiting future Class "A" appointments to professional, technical, and other senior posts where permanent service is necessary, and in due time a reduction under "Passages" and Long Leave expenses may be anticipated.

Towards the end of the year the regulations regarding "Passages" were amended, and as a result of limiting First Class passages to the most senior posts an annual saving of approximately \$100,000 is anticipated.

The Budget for 1936 will be relieved of approximately \$63,000 under Children's Bonus, this allowance being discontinued from December 31, 1935, under the operation of the notice given in 1931.

Notice has been given to employees that the present monthly Language Allowances will cease in five years' time, and that the system of lump sum bonuses introduced in 1931 will be amended during 1936. Whilst the saving in 1936 will be negligible, the ultimate saving is estimated at some \$300,000 per annum.

Consideration has been given to reducing the number of telephones in certain employees' residences, for which the Council meets the cost. Notice has been given of the withdrawal of this benefit in 38 cases, and following the introduction of the measured rate system it is intended to limit the initial cost to the basic rate of \$6.50, less discount, per mensem. As a result of this measure a saving of \$5,000 is anticipated in 1936.

In the Police Force large economies are being effected by extending the life of Uniforms in all Branches. It is not possible at this date to estimate the amount of saving under this heading. The number of Locomotion Allowances has been reduced, thus effecting a saving of some \$25,000 per annum. The question of Housing Allowances is also being considered, having regard to recent reductions in rentals, and a saving under this heading may be anticipated.

In all Departments (other than Police) allowances such as Locomotion, Special Duty, etc., are being reviewed, and wherever possible the allowances will be reduced or abolished.

As regards Education, economy has been effected by reducing the number of Foreign personnel at the Chinese Secondary Schools. By this means a saving of approximately \$9,000 is anticipated in 1936. In the Foreign Schools a saving has been effected by developing the system of "supply staff" on special rates of pay."

This report is submitted for members' information.

Institute of Pacific Relations - Cost of Living Investigation. - The Research

F3/42 Secretary of the Institute of Pacific Relations has approached the Council, asking for its co-operation in a comparative investigation of cost of living standards in various countries. The portion of the scheme actually affecting conditions in Shanghai is described as follows:-

"A study of the real earnings (that is, wages and cost of living) of certain classes of municipal employees, and of employees of public utilities with which the municipality has co-operative relations of a kind which facilitate the collection of information."

In a report submitted, Miss Hinder of the Industrial Section states that the present request is for a comparative analysis carried out under the control of the Industrial Section of the Council. She is of opinion that the information to be gained is of value in future enforcement of the Factory Act, as well as being of intrinsic importance to the Council. A similar request has been made to authorities in Tokyo, Tientsin, Hongkong, Manila and Batavia. The Institute of Pacific Relations has undertaken to contribute to a small extent towards the cost of the work, and the Shanghai Waterworks Company, which has been unofficially approached by Miss Hinder, has made a similar offer.

Miss Hinder considers a three months' study is necessary for the investigation, and estimates the cost to the Council at \$2,500, less any outside contributions which may be made as suggested.

The Treasurer & Controller submits a report expressing the opinion that the project is not one that the Council should embark upon, either at the present time or in the near future. He considers that the enquiry will cost more than \$2,500, that it may engender a spirit of

discontent, and that participation in the work is not a necessary function of the Industrial Section. He suggests that action be deferred for at least twelve months.

In a further report, the Acting Secretary points out that it would be most unfortunate if it should be alleged that the International status of the Settlement is in any way a barrier to social progress. The handling of many economic and social problems in Shanghai, he observes, is inevitably complicated by questions of politics and jurisdiction. Where such points do not arise, he considers that very careful consideration should be given before any request in the interests of social progress is refused.

The Chairman asks the Secretary General for his views on the situation, and the latter says that broadly speaking, he is in favour of the scheme, although it may not be convenient for financial reasons to do much at the moment. On general principles, a good deal of ill-informed criticism is always being applied to the Settlement as a place where social welfare is insufficiently considered. If the Council adopted a reactionary policy on all questions of social improvement, the effects would be cumulative and in time perhaps become serious. He therefore recommends that the Institute's request be considered sympathetically, even though he realises that the moment is a very difficult one in which to undertake any additional commitments.

In reply to a question by Mr. Killery, the Treasurer & Controller states that in addition to the objections detailed in his report, he deprecates the proposal on the grounds that any addition to the budget is an embarrassment, and that if the work is necessary it should be carried out by the Institute of Pacific Relations itself.

The Acting Secretary mentions that the Institute is not a wealthy organisation, but that it has already offered to contribute towards the cost, and observes that the final results from all countries are to be sent to the International Labour Office at Geneva.

Miss Hinder attends to answer Members' questions on details of the scheme.

In reply to a question by Mr. Liddell through the Acting Secretary, she states that in Tokyo the investigation has been initiated by the Japanese Government, but that the actual work is carried out by the local Authorities.

The Chairman asks what contribution the Institute is prepared to make, and Miss Hinder answers that this has not been exactly defined. If the Council will pay for the collection of the records, the Institute will probably make itself responsible for the cost of the subsequent statistics. She points out that the Institute cannot of itself obtain the necessary material without the co-operation of the Council.

Mr. Killery asks whether it would be possible to agree to the scheme in principle, but to defer its application for 12 months, in view of the present financial position. In reply Miss Hinder says that this might perhaps be done, but that she will need to write to the Headquarters of the Institute before giving a definite answer.

Miss Hinder then withdraws.

Mr. Carney asks what is the real value to the Council of the data proposed to be studied, and the Secretary General replies that the figures are obtained in an endeavour to improve working conditions where particular employers are found to be paying less than a living wage. It is most important that the Council should not damage its reputation by giving grounds for the accusation that it turns a deaf ear to proposals for Social improvements, particularly when data are to be used by so influential a body as the International Labour Office.

The Chairman observes that the Council has nothing to fear from the proposed investigation, and the results of it might be of value, whereas refusal to participate might give the impression that there was something to hide.

Mr. Carney favours an intimation to the Institute that the Council is willing to co-operate by giving all possible facilities, but cannot at the moment agree to the expenditure of funds on the scheme. The Treasurer & Controller remarks that the investigation is likely to stir up all kinds of discontent among employees as to wages at a time of serious local depression.

Mr. Lambe observes that the total amount involved is not great. Moreover, promises of contributions have already been received from the Institute and the Waterworks Company. Quite probably the Tramways Company will also eventually give some assistance. If, as he suggests, the request be granted in principle, he recommends that the work be carried out without unnecessary delay.

In reply to a question by Mr. Carney, the Acting Secretary states that he presumes the French Authorities have not been approached on the subject by the Institute because the Council is so much larger and more representative an Authority.

A vote is then taken, and by seven votes to two it is

RESOLVED that the request of the Institute of Pacific Relations for an investigation into cost of living standards for Municipal and other similar employes in Shanghai be approved; such investigation to be made under the control of the Industrial Section of the Council at a total cost not exceeding \$2,500. That the work shall be commenced forthwith, in co-operation with the Institute, and that the various Public Utility Companies be invited to participate.

Ricsha Board - Report for November. - The Chairman of the Ricsha Special

K25/1 Committee details the recommendations made at the meeting held on December 6, which are approved and endorsed, with the exception of the following items:-

Renewal of Licences for Public Pullers.

"It is recommended that renewal of public pullers' licences be commenced in January 1936, and that the renewal fee be 50 cents, it being hoped that the Pullers' Mutual Aid Association will consent to payment of these fees through the Association's funds."

The Chairman states that he is not quite in sympathy with this Recommendation. The original object of licensing pullers was to improve their conditions, and it was never intended that the Council should attempt to make revenue out of this very poverty-stricken section of the community. He feels very strongly that not more than 20 cents should be charged for licence renewals.

The Chairman of the Ricsha Board says that at a meeting last night of the Pullers' Mutual Aid Association, members were almost unanimously opposed to the suggestion that 50 cent licence renewal fees should be paid out of their funds. They had asked him to bring before the Council their views on the desirability of either abolishing or reducing the charge for renewals, but he had suggested this point could more properly be raised by a Member of Council.

Mr. Hsu thereupon observes that the Pullers' Mutual Aid Association have approached him on the subject, and he desires to notify the Council accordingly; adding thereto his personal opinion in support.

Mr. Liddell remarks that there is a limit to the amount the Council should spend on the Ricsha situation as a whole. He does not consider 50 cents a year (or approximately 4 cents a month) as excessive; but he does not wish to press the matter if there is strong opposition.

Mr. Franklin adds that he cannot agree to the reduction of the 50 cents charge, and the Treasurer & Controller expresses the view that at present a remission would not directly benefit the pullers in any way. It would merely mean retention by the Association of extra funds. These would of course be available indirectly to pullers in the form, presumably, of increased amenities to be provided out of the funds of the Pullers' Mutual Aid Association. He remarks that the reduction of the licensing fee will result in the estimated cost of the Ricsha Administration being approximately \$20,000 more in 1936 than in 1935.

Mr. Liddell enquires further as to what advantage has accrued to pullers through dealing in small money after the recent fall in exchange. The Chairman of the Ricsha Board replies that the charge is now 4 dimes and 20 coppers per shift, as against 6 dimes recently and 6½ to 7 dimes about 18 months ago, but points out that the pullers are in fact suffering, as there is now much less trade. -

Mr. Yamamoto supports the proposal to reduce licence renewal fees to 20 cents, and Mr. Fessenden (speaking as a member of the Ricscha Special Committee and not as Secretary General) says he is strongly opposed to the Council collecting anything from the coolie classes at the moment merely in aid of Revenue. He reiterates that the only object of the licensing regulations is to help the pullers, and supports the proposal to reduce the fee to 20 cents.

Mr. Lambe says that he is quite prepared not to press for the higher fee, but suggests that if a reduction is agreed to, the pullers themselves should reap the benefit of the concession, in the form of lower contributions. The Acting Secretary, however, points out that this matter can more conveniently be discussed by the Ricscha Special Committee, when in the near future the question of the hire charge comes up for further discussion.

In reply to a question by Mr. Franklin as to why one class of men in the community should be singled out for compassionate treatment rather than others, the Secretary General points out that this is not the case. All that has happened is that the Ricscha position is more complicated than that for other coolies, so that special machinery had to be set up to deal with it. Certain charges had to be made to cover the installation cost of such machinery; but there was never any intention of the Council making revenue out of what was supposed to be welfare work.

A vote is then taken, and by ten votes to one it is

RESOLVED that the licence renewal fee for public pullers recommended by the Special Ricscha Committee at its meeting held on December 6 be amended from 50 cents to 20 cents, renewals to commence from January 1936.

The meeting terminates at 5.30 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Monday, December 23, 1935, at 4.30 p.m.,
there are:-

Present:

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

The Treasurer & Controller

The Secretary General

The Secretary, and

Dr. J. C. H. Wu.

Absent:

Messrs. Chen Chian
 W. Gockson
 S. L. Hsu
 J. H. Liddell.

The Minutes of the meeting held on December 11 are confirmed and signed by the
 Chairman.

Absence of Mr. Chen Chieh. - The Chairman says that he is sure Members will
 FS/II welcome the opportunity of recording their congratulations to Mr. Chen
 Chieh on his appointment as Administrative Vice-Minister of Foreign Affairs
 to the Nanking Government. Although he has not yet officially resigned
 his Membership of the Council, it is feared that his new duties will pre-
 vent his attendance in the future, and the Chairman suggests that the
 Chinese Members of Council should confer together to decide whether they
 wish to suggest anyone else, and if so whom, to fill the probable vacancy.

It is thereupon

RESOLVED that the heartiest congratulations of the Chairman
 and Members of Council be extended to Mr. Chen Chieh on his appoint-
 ment as Administrative Vice-Minister of Foreign Affairs to the
 Nanking Government.

The Minutes of the meeting held on December 11 are confirmed and signed by
 the Chairman.

The Minutes of the meeting of the Education Board held on December 17 are
 confirmed and signed by the Chairman.

The Minutes of the meeting of the Works Committee held on December 20 are
 submitted.

18/3 The Sun Co. (Shanghai) Ltd. - New Department Store at corner of Nanking and Thibet Roads. - Arising out of these Minutes, Mr. Kiang asks if the Theatre on the seventh floor and the proposed roof garden above have independent means of exit. He is informed by Mr. Lambe that the same lifts are common to all floors, and that the entrance to the Theatre must be passed to reach the roof garden.

Mr. Carney says that as regards the enclosure of escalators, he has now enquired what precautions are taken in New York against fire, and finds that no special provision is compulsory, though if something of the sort is installed the premises become a better fire risk, and insurance premiums are lower. He thinks the Fire Brigade ought to have up-to-date copies of fire protection regulations in other large cities, such as New York and Tokyo. These would have been of guidance to the Council in the present instance.

He suggests that the Chief Officer of the Fire Brigade be requested to ascertain what are the established rules elsewhere, and that the Sun Company be permitted temporarily to use unenclosed escalators, pending receipt of such information.

Mr. Franklin asks why permission should not be granted without qualifications, if the statements made by the Sun Company are found to be correct, that neither in England, Japan nor in forty six of the forty-eight United States of America are such fire precautions compulsory. Mr. Kiang speaks in support of this.

A vote is then taken and by five votes to four it is

RESOLVED that paragraph 1 of the Works Committee's recommendation regarding the Sun Company's new Department Store at Nanking Road by Thibet Road be amended to allow of temporary permission being granted to the Company to instal unenclosed escalators as requested, pending receipt by the Council of further information as to the established rule in other large cities of the World. This permission may be revoked at any time, and does not restrict the future rights of the Council in any way.

Subject to this amendment, the Minutes of the Works Committee are confirmed.

The Minutes of the meeting of the Traffic Committee held on December 20 are submitted and confirmed.

X 7/1 Appointment of Land Commissioner. - It is required under Land Regulation 6A that the Council should appoint a Land Commissioner each year. Mr. H. Berents has been the Council's appointee for the past six years. It is recommended that he be appointed for 1936/7.

Members concur with the action suggested, and it is

RESOLVED that Mr. H. Berents be appointed as Land Commissioner for the Municipal Year 1936/7.

Press Information Office. - In a report submitted, it is noted that in 1931 ^{11/3/33} the Council decided that at the conclusion of one year from the institution of the Press Information Office it would review the results achieved, with the object of determining upon its retention or otherwise. Accordingly a comprehensive report by Mr. Burton Sayer, outlining the activities of his office, was considered by the Council in meeting on November 10, 1932. The Chairman at this meeting expressed the view that the results achieved had amply justified the appointment of the Press Information Officer.

The first three-year period of service expired in the case of Mr. Burton Sayer on September 30, 1934, and on November 30, 1934 in respect of Messrs. Chu Ming-chang and Tatsuoka, and their pay came up for reconsideration in accordance with standing procedure.

The matter was considered at a meeting of the Staff Committee in December 1934, when discussion took place as to the cost of running the Press Information Office. Reference was made to the fact that the Press Information Office had functioned in a very satisfactory manner and renders more service than the public realises.

After considering all aspects of the matter it was resolved that, provided the Council was satisfied that continuation of the Press Information Office in its present form was justified, increases of pay be granted, but that the new rates be regarded as maxima in all three cases, and that the whole question be reviewed in two years' time.

The Council gave its consideration to this matter in meeting on December 12, 1934, discussion centering around the question as to whether the benefit derived by the public from the operation of the Press Information Office was commensurate with the expenditure thereon. Certain members appeared to hold the belief that the Press Information Office was costing more than was originally contemplated. It was finally decided to adopt the Staff Committee's recommendation with regard to the pay of the employees concerned, and that the question of the advisability of continuing the Press Information Office in its present form be reviewed in the course of a year.

Mr. Chu resigned his appointment in April of this year, and he was replaced by Mr. Pei-yu Chien.

The cost of running the Press Information Office for the year 1932 was \$52,390, for 1933 \$54,295, and for 1934 \$54,996. The Budget for 1935 was \$59,310.

The Secretary General observes that the question has only been scheduled for the present meeting in view of the Resolution of December 12, 1934, that the matter be re-opened in twelve months' time. It really includes two points; whether the Press Information Office should be continued at all; and if so, whether it should remain on the same basis as

at present. He suggests that as the Press Information Officer has been taken critically ill, and is no doubt worried over the position, consideration of it might well be postponed until he has recovered and can attend to answer Members' questions.

The Chairman says that the Press Information Office is a very useful and necessary part of the Council's organisation, and he feels there can be no question of abolishing it. The Secretary General agrees that its retention in some form is essential. He explains, however, that the present cost of the scheme goes very much further than either he or the Press Information Officer had originally expected. At first the idea was to have only two translators, at a total cost of about \$500 a month, but the Council eventually appointed highly qualified and highly paid Chinese and Japanese Officers to carry out the work on a much more far-reaching scale.

The Secretary points out that the continuation of the Press Information Office was agreed to in 1934; the only point which was to be re-considered in twelve months' time was the basis on which it should be run in future. Mr. Franklin says that particularly having regard to the existing political situation he would support continuance of the present system.

Mr. Carney states that he has always opposed the steadily increasing cost of the Press Information Office, and he wishes it to be placed on record that he considers the present year's expenditure of \$59,000 an excessive price to pay for the service. He thinks reorganization might be fully discussed as soon as the Press Information Officer is well enough to attend the Meeting. The Chairman, however, is of opinion that no definite date need yet be fixed for this. Members concur, and it is

RESOLVED that consideration of reorganization of the Press Information Office be deferred sine die.

Staff of Judicial Police. - In reply to the Chairman, the Secretary General F9/6 outlines the history of the Judicial Police as liaison officers between the Council and the Chinese Courts. He explains that these officers are nominated by the Council and appointed by the Courts, and are a vital connecting link between the two Authorities. One member of the Judicial Police was recently found to be unacceptable to the President. He was therefore replaced by a nominee from the ordinary Police Force, who though satisfactory, asked to be withdrawn from the position on account of the complexity of his duties. The vacancy was therefore filled by a Chinese member of the Municipal Advocate's staff who is proving satisfactory in every respect. As there is now no vacancy in the ordinary police for the previous holder of the position, he has been transferred to fill the vacant post in the Municipal Advocate's office. It is proposed to pay

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the new member of the Judicial Police the salary of \$255 per mensem, his previous salary under the Municipal Advocate being \$140 per mensem. In fixing this salary it is necessary to take into consideration the salary paid to members of the Judicial Police junior in rank, and also the duties of the appointment itself.

The Secretary General asks approval of the action which he has taken in this matter, observing that it is essential to have a man for this post who has some legal knowledge and is socially acceptable to the Judges.


Members generally agree, and it is

RESOLVED that the Secretary General's action in transferring Hsu Ts'eng Yang, late of the Municipal Advocate's Department, to the Judicial Police at a salary of \$255 per mensem, be approved.

The meeting terminates at 5.30 p.m.



Chairman.



Secretary.