

VOTES AND PROCEEDINGS OF THE LEGISLATIVE COUNCIL OF HONG KONG.

No. 5 OF 1879.

THURSDAY, 6TH NOVEMBER, 1879.

PRESENT:

His Excellency Governor J. POPE HENNESSY, C.M.G.
The Honourable the Chief Justice (Sir JOHN SMALE).
The Honourable the Colonial Secretary (WILLIAM HENRY MARSH).
The Honourable the Acting Attorney General (JAMES RUSSELL).
The Honourable the Acting Colonial Treasurer (MALCOLM STRUAN TONNOCHY).
The Honourable PHINEAS RYRIE.
The Honourable WILLIAM KESWICK.
The Honourable JOHN MACNEILE PRICE.

ABSENT:

The Honourable HUGH BOLD GIBB.

The Minutes of the two previous Meetings of Council held on the 29th May and the 31st May are read and confirmed.

His Excellency the Governor in opening the Legislative Sessions 1879-1880 makes the following observations on the commerce and finances of the Colony:—

THE COMMERCE AND FINANCES OF THE COLONY.

HIS EXCELLENCY.—Gentlemen, in opening what I may call the Session of 1879-80 and laying before you the Estimates for 1880, my first duty is to briefly refer to the financial statement I made last year when introducing the Estimates for 1879. In September, 1878, I ventured to anticipate that the prosperity of the Colony of Hongkong would be shown at the end of that year by the shipping returns. This is one of the largest depôts of shipping in the world and the prosperity of the Colony is best gauged, no doubt, by the amount of shipping that comes into and leaves the harbour. In spite of commercial depression elsewhere, I thought we should have no reason to despair of the year 1878. It will be satisfactory for you to know that so far my anticipations have proved to be correct, and that the tonnage of vessels recorded as entering Hongkong in the year 1878 exceeds the tonnage that has been hitherto recorded in any year in the history of this Colony. I find in the year 1875 the total tonnage was 3,326,774, in 1876 this rose to 3,900,891, in 1877 it was 4,244,543, and in 1878 it reached 4,352,668; and the Harbour Master says that his returns show that the total tonnage entered and cleared at his office in 1878 was 8,982,593. The total tonnage cleared and entered in the year 1877 was 8,594,348, showing an increase of 388,245 tons. Now, to enable us to estimate the magnitude of this commercial movement it is natural enough to compare it with the total tonnage entered and cleared in the United Kingdom, and I find that according to the last authentic returns before me that it amounted in the year 1877 to 51,531,000, whereas ours in 1878 was 8,982,000. In other words our tonnage, we may safely say, was something like one-sixth of the total tonnage of the United Kingdom. And another fact of interest is this, that if you endeavour to ascertain, which we cannot do here with accuracy, what is the value of this depôt trade, we find that in England, where they can do so,

the total value of imports and exports amounted to £646,000,000, and as our tonnage is something like one-sixth of what it is in the United Kingdom, I think a predecessor of mine who estimated the value of trade of this Colony inwards and outwards at £100,000,000 was not far off the mark. And another gentleman who has a large knowledge of the commercial history and position of this Colony, Mr. GRANVILLE SHARP, in the early part of 1877, before I arrived in the Colony, printed a little statement respecting the commercial resources of the Colony, containing statistics of the leading import and export trade of Hongkong by which the probable accuracy of this estimate is confirmed. So far we have, therefore, no reason to complain of the year 1878. And I may, perhaps, remind the Council that that was the year in which it was asserted, by some otherwise highly intelligent gentlemen, that there was great insecurity of property in the Colony owing to a policy of undue leniency on the part of the local Government towards the criminal classes. We now know, however that, as far as a flourishing revenue and a flourishing commerce are any indications of general security, the result has not been unsatisfactory.

With respect to the Oriental trade, the Harbour Master says:—"There has been a considerable increase in the trade between this port and India and Singapore, as well as with Japan." As regards the latter, I am disposed to think from what I have myself seen in Japan and ascertained from the merchants there, that the Japanese trade with South China and Hongkong will increase more rapidly, in proportion, than any other branch of our Eastern commerce.

Now, gentlemen, with respect to the Estimates which I propose to lay upon the table, it has been hitherto my practice to submit from time to time the details of the Estimates to the Finance Committee of the Legislative Council, so that in fact the Finance Committee had before them the applications, more or less numerous, for increase of pay, the various applications of the Surveyor General for the expenditure of public money, and the applications of the officers who have the spending of money in other departments. But instead of pursuing that course this year I have, under instructions from the Secretary of State, adopted the course I am now taking, which is that of laying the Estimates before you on my own responsibility, and then, after the statement I make to-day, and to-day's proceedings close, the Council will be able to adjourn when the Finance Committee can go through the Estimates, and then, at a reasonable time, the Council will meet and deal with the Appropriation Ordinance embodying the Estimates.

The revenue that my honourable friend the Acting Colonial Treasurer, Mr. TONNOCHY, anticipates for the year 1880 is based upon the actual receipts which he finds recorded in his books for the first nine months of 1879. My Honourable friend arrives at the conclusion that our revenue will reach the figure of \$1,017,956. You will notice that under the head of taxes there is a falling-off. This is to be accounted for by the fact that under the head of Stamps I estimate for \$115,000 only and under the head of Police assessment, Water rate, Lighting rate, and Fire Brigade rate, I anticipate receiving a smaller sum than was actually received in the year 1878. But, as you are no doubt aware, the falling off in the house tax arises from the fact, not that the Colony is less prosperous, not that we have fewer houses—for even in spite of the fire that destroyed 366 houses in December 1878 we have more houses at this moment than we had at any other period in the history of the colony—but it arises from the fact that last year I took the responsibility of reducing the rate from twelve per cent. to ten per cent. When I referred in my financial statement last year to the possibility of a reduction in taxation I drew your attention to the fact that there

was a great difference between reducing such a tax as that levied on the native junk trade and reducing the house-tax, inasmuch as I stated that the former would require a legislative enactment, which it would be very difficult to go back upon, whereas the Governor in Executive Council is bound to review every year the question of the house-tax, and determine what should be the rate for the ensuing year. Therefore the reduction in that rate for the current year was not constituted a permanent reduction. I may inform the Council that an important proposal has been submitted to me by three gentlemen,—my Honourable friend the senior unofficial member (Mr. RYRIE), and two of the officers of the Government suggesting that water tanks be created along the side of the hill overlooking the town to provide a supply of water for the extinction of fires. A deputation waited upon me and expressed, on behalf of the community, an earnest desire that the views of that Committee should be carried out. I have reported that to the Secretary of State. The estimate for the proposed scheme amounts to \$50,000, and if I am called upon to expend that sum for this purpose I think I may appeal to you, and the whole community that for getting that sum—or \$30,000 at all events—I would be fully justified in asking the householders to contribute, and therefore it would be my duty next month, when I have to consider this question of the house rates, if Her Majesty's Government approve of the expenditure, to re-impose the two per cent. to get the money to pay for that which is practically a fire brigade service, and of course affects, more than any other, the actual householders. At the present time you won't find this \$50,000 included in the Estimates, because it requires the sanction of the Secretary of State; and you will see that the Colonial Treasurer has estimated the house-rates at the lower rate of ten and not twelve per cent.

There is a change, under the head of Postage. The amount of expenditure has increased and the receipts have also increased. On that subject it is only necessary to remind you that for some time past—for a year or two—there has been a question, which has not been discussed at this Council table, but has been discussed in another form, as to how far the Postal revenue is correctly stated on the Estimates. I entertain a decided opinion that we should deal with postal revenue as with everything else, that the Postmaster should include in his estimate of expenditure all the money expended, and in his estimate of receipts the gross receipts. However, he entertained a different opinion and handed in figures of a different character. This occurred during my absence in Japan. Mr. MARSH referred these figures back to him, pointing out what was the practice elsewhere, and what he himself, with his experience as Auditor General, thought was the proper one to be followed. On returning to the Colony, I therefore placed before the Treasurer the figures which the Audit Office had resolved upon on a careful investigation of the whole subject, which were the figures showing the gross receipts and gross expenditure.

The total estimated expenditure is \$964,355, and as the estimated revenue is \$1,017,956, the estimated surplus on the transactions of the year 1880 is \$53,601. The most important change is that under the head of Police. Now the question of the Police Force in this Colony has engaged the attention of the Government more than once. We have had of late years two Committees or Commissions sitting upon the subject. I appointed a Committee presided over by my lamented friend, Mr. MAY, to investigate the question of Police and crime in the Colony. I had previously taken the responsibility, I think in August, or September, 1878, of giving instructions to Mr. DEANE, the Captain Superintendent, to strengthen the night force, and I pointed out the desirability of having the night duties of the force increased

thirty-three per cent. The Committee I appointed examined Mr. DEANE, Mr. CREAGH, and a number of the Inspectors and other persons competent to give advice on the subject. No one indeed was more competent than the Chairman himself to form an opinion upon it. They arrived at the conclusion that the two-thirds night system, as it is called, should be tried, and that the system would probably tend to diminish crime, for they expressed a decided opinion that the Colony was not adequately policed at night time. Well, that report was laid before Her Majesty's Government, and about the same time, or indeed a little before that report reached the Government, they also received, from two important sections of the Community, the opinions of those sections upon that very question, as to the Police. Sir MICHAEL HICKS-BEACH received a memorial addressed to him by all the leading Chinese merchants of the Community, in which amongst other things, they expressed an opinion that the town had not been for some years adequately policed at night, and expressed a hope that he would sanction a moderate increase of the Police Force. On the other hand, a resolution was also laid before Sir MICHAEL HICKS-BEACH in which some of the European section of the Community took a different view, and thought no change was necessary in the Police arrangements of the Colony. Well, that point has been considered carefully by the Secretary of State, and he has conveyed to me the decision that he approves of the two-thirds system of night duty, and he asks me also carefully to consider the question whether some increase ought not to be made in the Police Force. Sir MICHAEL HICKS-BEACH also points out that Mr MAY'S Committee called attention to the fact that on one particular day in October, to which they referred, there were 106 members of the Police Force employed on what were called special duties, that is five or six at Government House, a few employed taking care of the Courts of justice, and in different parts of the Colony the Police were engaged in that way—my Honourable friend Mr. TONNOCHY had twenty in the Goal—and in various ways 106 members of the force were diverted from what were really their proper duties. Sir MICHAEL HICKS-BEACH directs that these Policemen should be paid for by the different departments that were using them. Accordingly, in preparing the Estimates, I have charged the various departments with these Policemen who were formerly charged to the Police vote, and I requested Captain DEANE to state what increase in the force he would require, inasmuch as all the money not so required would be struck off the Police vote. Mr. DEANE in his minute expresses his views, and is content to have an increase of thirty-six men in the Police force. The sum which will be charged to the various departments, amount to \$12,245. However, with certain reductions of salaries which you will see by the pay list—the net increase in the salaries of Police force will be \$10,680, and there is a further expenditure for the present year of something over \$11,000 in connection with steam launches for the Police. I have told you what the opinion of the Committee was. I am now able to give you also the opinions of competent persons in the Police force itself as to the actual results of this question of the two-thirds night duty. During my absence in Japan, the Administrator called upon Captain DEANE to let him know how this new system worked, and Captain DEANE reported as follows:—"I have collected reports from the different Inspectors, and their opinions coincide with mine, it has had a decidedly beneficial effect in diminishing the amount of crime during those hours." Chief Inspector HORSPOOL says he was always in favour of the two-thirds system, it was the system under which he worked in London, and it has been most beneficial here; and all the other Inspectors say the result has been most satisfactory and has diminished crime. Captain DEANE was of opinion he required a few more men so

as to increase the day duties, and he is now content with the comparatively small increase of thirty-six. So far, I hope our Police system has been improved. I may add that the Senior Acting Magistrate informed me that during the time this system has been in operation, there has been a marked diminution in the number of cases of serious crime.

Now, gentlemen, there is one slight increase in the establishment charges which I am instructed to make in a despatch from the Secretary of State, No. 105 of the 15th August. Sir MICHAEL HICKS-BEACH was good enough to say.—"In consideration of the expense entailed on the Governor by the numerous entertainments he is called upon to give, I am of opinion the allowance made to him for lighting Government House, etc., should be increased from \$1,440 to \$4,800, such increase to date from the 1st January last."

There is another change which you will see, and which really does not involve any question of money, it is merely a transfer from one department to another department, and that follows from the fact that Mr. FORD is now placed at the head of the Botanical department. I shall lay before you the various minutes and papers which explain how it came to pass that Mr. FORD, arriving in this Colony in 1871 and being placed in the position to which he was appointed, and being in that position for some time, was subsequently, some two years afterwards, deprived of his position as the independent head of a department. For you will see that this was not known to Her Majesty's Government, but that when the attention of the Government was called to the position and duties of Mr. FORD despatches arrived the result of which is I now have to place before you a separate department at the head of which is Mr. FORD. The despatches of the Secretary of State, minutes, and some subsequent correspondence, will all be printed for the information of the Council.

With respect to the financial proceedings of the year 1879, I think my Honourable friend (Mr. MARSH) in his capacity as Auditor looked very carefully into what would be the result of the year's transactions and endeavoured to anticipate what they would be some months ago, and I think my Honourable friend communicated a despatch to the Secretary of State during my absence in which he expressed his views on the subject, and what he anticipated from what he had then seen would be the surplus of revenue on the year. I think it was something like \$60,000.

The COLONIAL SECRETARY said that was the amount; and he might add that he had looked over the figures for the third quarter, and they verified the result of the first six months.

His EXCELLENCY.—It is very satisfactory to me to know that an Honourable member of such great experience in Colonial finance should have verified so far my anticipations as to the prosperous state of revenue in the year 1879 and I think we may look forward with confidence to having a very respectable surplus at the end of this year's transactions. I believe our balances have continued to increase, and on that subject I may say in a whisper, which I hope will not reach Singapore, that in the Straits Settlements, with their opium farm increase, I notice there has been a serious diminution in the item of interest—in other words it seems their balances have been declining—ours have been increasing, and my Honourable friend anticipates an income of \$20,000 in the year for interest, which is a far larger sum than has ever been received in this Colony before. Apart from ordinary local expenditure, I think it well, on Imperial grounds, that a Crown Colony should have a substantial balance

in the Treasury chest. Contingencies may arise at any moment not contemplated in the usual items of Colonial expenditure. So far for the actual state of the Colony and our prospects. The Estimates, as I told you, will come before you in Finance Committee, and you will have to undertake the ungracious task of cutting down to any extent you may desire the various items of expenditure. It is, I think, a part of our constitutional system that members of Finance Committee are debarred from the privilege of proposing an increase or additional votes, but you can always exercise that power which members of the House of Commons exercise, or try to exercise, of cutting down votes.

His Excellency lays upon the table the Estimates for 1880 and moves that they be referred to the Finance Committee.

The appropriation Bill 1880 is then read a first time on the motion of the Colonial Secretary.

Estimates referred to Finance Committee accordingly.

By direction of His Excellency, the Colonial Secretary proposed certain votes which had previously passed the Finance Committee and which are now approved:—

PAYMENTS AUTHORIZED IN EXCESS OF THE ESTIMATES OF 1878,
REQUIRING LEGISLATIVE AUTHORITY

Works and Buildings.

C.S.O. No. 1693 of 1879.	Maintenance of Public Gardens,—	
	For Garden Seeds Freight and Insurance, paid in England,...	\$ 241.82
	Maintenance of Water Works,—	
	Iron Pipes, Stop-cocks, Tools &c., also a Hot-water Apparatus for the Supreme Court,.....	2,410.27
	Repairs to Buildings,—	
	Window Glass, &c.,.....	66.29
		\$2,718.38

Roads, Streets, and Bridges.

Praya Reconstruction,—	
Portland Cement, Freight and Insurance, also Passage-money of Foreman Mason,.....	\$ 16,581.06
	\$ 16,581.06

ESTABLISHMENTS.

Auditor General.

Contingencies,—Printing Forms and Documents for all Departments, during the year, excess,	\$ 757.85
Coals for all Departments, during the year, excess,.....	604.92
	\$ 1,362.77

Ecclesiastical.

Loss in Exchange on account of the Salaries of Colonial Chaplain, and of Sexton and Clerk, being paid in England,..	\$	72.72
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Medical.

Lunatic Asylum and Small Pox Hospital,—Salaries to Wardmasters, Nurses Cooks, and Coolies, during the year,..	\$	1,562.41
Loss in Exchange on Dr. WHARRY's Salary, being paid in England,		22.87
	\$	<u>1,585.28</u>

Gaol.

Salary of the Warden (HAYWARD), from 15th January to 31st March,	\$	159.66
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(Mr. CORCORAN was Acting Warden, pending the arrival of Mr. HAYWARD, receiving full pay).

SERVICES EXCLUSIVE OF ESTABLISHMENTS.

Postmaster General.

Gratuities to Shipmasters for carrying Mails excess,.....	\$	783.51
Remittances to France, Italy, &c., for transit, forward Postage, &c.,.....		3,855.22
	\$	<u>4,638.73</u>

Judicial.

Administration of Justice,—Expenses of Witnesses, excess,	\$	351.47
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Gaol.

Provisions for Prisoners, excess,.....	\$	1,746.36
Lighting the Gaol, do.,		168.44
Clothing, Shoes, &c., do.,		1,674.61
Fuel and Soap, do.,		824.86
Incidental Expenses, do.,		959.80
	\$	<u>5,374.07</u>

Fire Brigade.

One New Boiler for No. 1 Steam Fire Engine, and extra fittings,	\$	1,725.20
6 Extincteurs and 75 Charges for the same,.....		289.93
2 Brass Feed Pumps for Nos. 1 & 2 Steam Fire Engines,.....		130.00
Uniforms for the Members of the Brigade and Chinese Volunteers,.....		469.80
Sundry Repairs, excess,.....		306.13
	\$	<u>2,921.06</u>

Military Contribution.

Excess over the Amount estimated, on account of low Rate of Exchange,..... \$ 331.36

PAYMENTS AUTHORIZED IN EXCESS OF THE ESTIMATES OF 1879,
REQUIRING LEGISLATIVE AUTHORITY.

ESTABLISHMENTS.

Colonial Secretary.

C.S.O. No. 827. One Watchman for Government Offices, at \$10 per month, May to December,..... \$ 80.00

Educational.

C.S.O. No. 230. Increase of Salary to LEUNG KING HAM, Master in Girls' School, from \$20 to \$25 per month, from 1st January, 1879, \$ 60.00

C.S.O. No. 397. Salary to the School Master at Aberdeen at \$20 per month, from 1st February, 1879,..... 220.00

C.S.O. No. 440. Grant-in-Aid to Tai-tam-tuk School, \$5 per month, from 1st February, 1879, and \$1 per month for Rent,..... 66.00
\$ 346.00

Police.

S. of S. Desp. No. 13 of 1879. C.S.O. Nos. 2436 of 1878. 1192 of 1879. 272 of 1879. Salary to the Acting Deputy Superintendent of Police, (Mr. WODEHOUSE), from 26th March to 25th April, at \$1,560 per annum, \$ 133.49

S. of S. Desp. No. 13 of 30th Jan., 1879. Salary to Chief Inspector, (Mr. HORSPOOL), from 1st January,.. 1,440.00
\$ 1,573.49

Fire Brigade.

C.S.O. No. 858 and No.1097. Allowance to Inspector ORLEY, as Inspector of Dangerous Goods, at \$5 per month, from 1st April,..... \$ 45.00
Allowance to a Lokang as Assistant, at \$2 per month, from 1st April, 18.00
\$ 63.00

SERVICES EXCLUSIVE OF ESTABLISHMENTS.

Administration of Justice.

C.S.O. No. 772. Fee to Mr. DENNYS for Services as Solicitor in defending at the Magistracy, KO ACHOY and 8 other Prisoners charged with Murder, \$ 55.00

Police.

C.S.O. Three Steam-Launches for Police purposes,..... \$ 11,350.00

No. 935
and
No. 1103.

Works and Buildings.

C.S.O. No. 1472.	Erection of Iron Fences near the Palm-plot and Camellia bed, over Gleanealy Ravine, in the New Gardens,.....	\$ 500.00
C.S.O. No. 3005 of 1878. and No. 1682 of 1879.	Market at Yau-má Tí, Re-vote of Amount sanctioned in the Estimates for 1878,	5,000.00
	Bungalows at the Peak, Re-vote of Balance unexpended in 1878,	940.00
		<u>\$ 6,440.00</u>

ESTABLISHMENTS.

Surveyor General.

C.S.O. No. 2223.	Salary of a Coolie in charge of Villa Residences on Mount Gough, at \$7 per month, from 1st March,.....	\$ 70.00
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Fire Brigade.

C.S.O. No. 2133.	Salaries of Engine Driver and Stoker for the New Steam Engine, the former at \$12 and the latter at \$10 per month, from 1st August,	\$ 110.00
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EXCLUSIVE OF ESTABLISHMENTS.

Pensions and Gratuities.

C.S.O. No. 1956.	Gratuity to C. JENSEN, Inspector of Nuisances, on retirement from the service, through ill health,.....	\$ 200.00
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GAOL, EXCLUSIVE OF ESTABLISHMENTS.

C.S.O. No. 2246.	Rent of Quarters for Warden HAYWARD, from 1st July, \$25 per month,	\$ 150.00
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Works and Buildings.

C.S.O. No. 2125.	Maintenance of Telegraph—Supplementary Vote,.....	\$ 300.00
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Roads, Streets, and Bridges.

C.S.O. No. 2512.	Repairs to damages caused by the Rainstorm of 12th and 13th September,	\$ 5,872.00
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Miscellaneous Services.

C.S.O. No. 1728.	Scavenging and removing Waste Products from the Village of Yau-ma-ti for 3 months, at \$110,.....	\$ 330.00
C.S.O. No. 2024..	Gratuity to Window of the late Head Forester, LU FUK, who served for a period of more than twenty years,.....	50.00
C.S.O. No. 1524.	Gratuity to Mr. HAZELAND, as Secretary to the Gambling Commission,	100.00
C.S.O. No. 1445.	Subscription to Reuter's Political Telegrams, for the whole year,.....	1,000.00

\$ 1,480.00

The Colonial Secretary states that the vote of \$11,350 for Steam Launches which had been passed in Finance Committee and which still required Legislative Authority had been embodied in the Estimates for 1880.

On the motion of the Honourable the Colonial Secretary there is read a first time the Supplementary Appropriation Bill for the year 1878.

The Council goes into Committee upon the Naval Yard Police Force Ordinance Amendment Bill, and the Bill is committed and passed, bearing the title of "*An Ordinance enacted by the Governor of Hongkong, with the Advice of the Legislative Council thereof, to extend Ordinance No. 1 of 1875, to provide means for enforcing good order and discipline in the Police Force employed in the Royal Naval Yard, to the other Establishment of the Royal Navy in this Colony,*"—being "*No. 3 of 1879.*"

Upon the Bill for the Survey of Steam-ships and Regulation of Vessels being brought forward for second Reading, the Acting Attorney General states that Her Majesty's Government had decided with regard to the point submitted to them by the Governor as to the application of this Bill to foreign Steamers that it might be so applied. By His Excellency's direction, Despatch No. 123 of the 9th September, 1879, from the Right Honourable Sir MICHAEL HICKS-BEACH, is laid upon the table.

Upon the motion of the Acting Attorney General it is agreed to consider this Bill as a part of the Merchant Shipping Consolidation Bill and not as a separate measure, and he moves the second reading of the Merchant Shipping Consolidation Bill. The debate on the second reading is adjourned.

The following Bills are introduced and briefly explained by the Acting Attorney General and read a first time.

A Bill to amend the law relating to Chinese Passenger Ships and the conveyance of Chinese Emigrants.

A Bill to amend the Excise Ordinance (Opium) 1858-1879.

With the permission of His Excellency, the Honourable W. KESWICK offers detailed observations on the deportation papers which had been laid upon the table at the Meeting of Council on the 29th May, 1879.

His Excellency replies, and after some remarks by the Acting Attorney General, the Honourable W. KESWICK and his Honour the Chief Justice, the discussion is brought to a close.

His Excellency adjourns the Council *sine die*.

J. POPE HENNESSY,
Governor.

Read and confirmed, this 19th day of November, 1879.

H. E. WODEHOUSE,
Clerk of Councils.