

5TH DECEMBER, 1893.

PRESENT:—

His Excellency the Governor, Sir WILLIAM ROBINSON,  
K.C.M.G.

Hon. G. T. M. O'BRIEN, C.M.G., Colonial Secretary.

Hon. W. M. GOODMAN, Attorney-General.

Hon. A. M. THOMSON, Acting Registrar-General.

Hon. N. G. MITCHELL-INNES, Colonial Treasurer.

Hon. R. M. RUMSEY, R.N., Harbour Master.

Hon. E. BOWDLER.

Hon. C. P. CHATER.

Hon. Ho KAI.

Hon. J. J. KESWICK.

Hon. E. R. BELLIOS.

Mr. A. Seth, Clerk of Councils.

MINUTES.

The minutes of the last meeting were read and confirmed.

THE GOVERNOR'S SPEECH—A CORRECTION.

HIS EXCELLENCY—Before we begin the business of the day I would like to correct an error which crept into my address yesterday, possibly in the copying. What I said in reference to the revenue and expenditure of 1893 was that the revenue would probably be about \$110,000 in excess of ordinary expenditure and consequently \$93,000 in excess of the estimate. What I ought to have said is—"consequently about \$140,000 in excess of the estimate" (applause).

The COLONIAL SECRETARY—Actually about \$143,000.

RULES FOR THE TAXING OF COSTS IN THE SUPREME COURT.

The COLONIAL SECRETARY—Pursuant to notice, sir, I beg leave to move the approval of the rules which I laid on the table yesterday. The rules, as appears from the heading, have been made by the Chief Justice under section 24 of the Supreme Court Ordinance of 1873 for the taxing of costs in the Summary Jurisdiction of the Supreme Court, and the Ordinance provides that such rules as may be made by the Chief Justice should be approved by the Legislative Council. The rules have already been circulated to the members, and I presume we may take them as read. If any member has any suggestion to make perhaps he will be good enough to do so before the question is put. I may mention, sir, that in the letter forwarding these rules the Chief Justice says—"Before finally settling them I have been in correspondence with both branches of the legal profession, and although I was not able to adopt all the suggestions offered I have given them my best consideration and have adopted some of them." I beg to move that the rules be adopted.

The ATTORNEY-GENERAL seconded.

Agreed.

THE APPROPRIATION BILL, 1894.

The COLONIAL SECRETARY—Sir, I beg leave to move the first reading of the Appropriation Bill for 1894. The revenue for 1892, which is the last year for which we have the completed transactions, amounted to the unprecedentedly large sum of \$2,236,933. It not only exceeded the estimate for the year, but it very considerably exceeded the revenue of any previous year. As the sources of revenue remained practically unaltered (the small additions to the rates of assessment in the Hill District and Kowloon for police, water and gas, and the other small additions to revenue for fresh services rendered, such as the rent of public laundries, being comparatively insignificant), this result is very satisfactory. But at the same time I must repeat what I have already mentioned to the Council, that the revenue included several exceptional windfalls and that therefore it cannot be accepted as a safe guide to the near future. The ordinary expenditure for 1892 amounted to ~~\$1,883,474~~ and there was thus a surplus of current revenue over ordinary expenditure of \$354,459. But during the year there was expended on public works extraordinary a sum of \$460,363, bringing the total expenditure of the year to \$2,342,837, or \$105,904 more than the revenue. Of the expenditure on public works extraordinary the sum of \$223,983 has, in pursuance of the sanction of the Secretary of State, been charged against the loan which was raised after the close of the year, and the apparent deficit of \$105,904 is thus converted into a surplus on the revenue of the year as compared with the expenditure (including the expenditure on public works extraordinary chargeable against it) of \$118,079. We began 1893 with a surplus of \$35,106 of assets over liabilities, and an estimate of revenue and expenditure which showed a balance of estimated current revenue over expenditure chargeable against it of \$7,021. In speaking to the Supply Bill I stated to the Council that I had estimated the revenue with extreme caution, as I was bound to do in the face of the facts that our accumulations derived from our previous loan and other special sources were all but exhausted, and that we were about to go on to the London market for a loan; and I remarked that in the absence of unforeseen circumstances I anticipated that my estimate would be exceeded. The Council must have been very glad, sir, to hear the announcement in your Excellency's opening address that my anticipations have been fully realised. The revenue for the first ten months has produced \$1,700,455 as against an estimate of \$1,906,396 for the whole year. The last two months of the year are generally below the average under most

heads of receipt, but on the other hand they include the profit for the whole year on sales of subsidiary coins—which is not brought to account until the close of the year—and although the Council has already agreed to a supplementary expenditure of some \$50,000 chargeable against current revenue, mostly for public works extraordinary, and will be asked, as soon as the transactions of the year have been ascertained, to vote a further sum to meet the addition, caused by the fall in exchange, to the cost of our sterling payments, it may now be confidently predicted that the estimated surplus of \$7,021 of current revenue over all expenditure chargeable against it will be substantially increased. In connection with the fall in exchange I may take this opportunity of informing the Council that, in spite of the terrible depreciation in the value of silver, the Colony is still benefiting by having raised its recent loan in gold in London in preference to raising it in silver in Hongkong, and that it will continue so to benefit unless during the whole period of the currency of the loan the dollar averages nearly 6d. less than the rate ruling at the date of the issue of the loan, which, I may mention, was, taking the average rate at the dates on which the several instalments were received by the Crown Agents, 2s. 7.7d., or a little under  $2\frac{3}{4}$  d. to the dollar. The Colony has also gained in prestige by having been accepted in the London market as a borrower on singularly favourable terms, a circumstance for which we are largely indebted to the Crown Agents, and which should prove of signal advantage when the time arrives for converting our old loan with further benefit to the Colony. Our recent  $3\frac{1}{2}$  per cent. loan was issued at an average price of £100 12s. 7d., and that at a time when the 4 per cent. debentures of one of the Australian Governments were selling at £95, and the  $3\frac{1}{2}$  per cent. stock of the great Colony of Victoria was being quoted at only £85. The comparison not only argues strongly in favour of the able management of the Crown Agents in bringing out our loan, but it also affords significant evidence of the soundness of the financial position of the colony taken as a whole. Onlookers, they say, see most of the game, and it would seem that English capitalists recognise the existence of factors which make for our stability, and which are, perhaps, not always sufficiently realised by some of the local interests that have felt the pressure of the temporary restriction of local credit. The depreciation of silver and the uncertainty that attaches to its future have necessarily affected the estimates for 1894, for while on the one hand they have induced caution in the estimate of revenue, they have on the other necessitated a considerable addition to the estimate of expenditure under the heads that have to be met by payments in sterling. The rate that has been taken in the estimates for such payments is  $\frac{2}{6}$  to the dollar. The present market rate is, unfortunately, lower, but I have consulted some

of the best authorities in England and have failed to find one that will undertake to predict the curve of exchange during the coming year with any degree of confidence. The average rate may exceed  $\frac{2}{6}$ , or it may fall short of it: on the whole 2s. 6d. seems a reasonable as well as a convenient rate to take. The estimates for 1894, which, as already stated, have been prepared with caution on the revenue side, shew an estimated revenue of \$2,007,210, with an estimated expenditure, including certain items for Public Works extraordinary, but excluding Public Works extraordinary that are chargeable against the loan, of \$1,998,745, and a balance of revenue over expenditure chargeable there against of \$8,465. They also provide a sum of \$348,500 for expenditure on Public Works extraordinary chargeable against the loan. They exhibit no items that call for any special comment: all the variations which they contain are explained in the notes attached to them, and I shall be happy to give any further information that may be desired, when the Council goes into Committee on the Bill. Where no vacancies have occurred, existing salaries have, in accordance with the recent decision of the Secretary of State, been entered at the same rates as for 1893. Whatever the decision may be as to the appointment of a Retrenchment Committee, the work of retrenchment must in any case necessarily be one of time. But in the mean while Your Excellency has missed no opportunity of carrying out the policy which you have more than once enunciated to the Council of effecting such retrenchment as might be feasible on the occurrence of vacancies. The estimates for 1894 shew a reduction as compared with those for 1892 of \$12,120 under the headings of personal emoluments. The real reduction largely exceeds this amount, for it includes items of savings on personal emoluments, which are not shewn in the estimates. For example, the work of the second Magistrate is being performed under an arrangement which effects a saving of \$3,684 per annum, while the whole salary of the office is retained on the estimates. Again, in the estimates for 1894 certain salaries which in 1892 were defrayed from the provision under the heading "other charges," or in the case of the Public Works department from votes for works, are now properly entered under the heading "Personal emoluments." And lastly, as regards the Treasury, although the provision for the staff pending its settlement on a permanent basis has been entered at the same figure as for 1892, with the exception of the omission of certain personal allowances, the appointments that were made on the retirement of three of the staff and the dismissal of a fourth at the beginning of this year are purely provisional, and the salaries that are actually being paid are considerably lower than those hitherto drawn; and it is hoped that when

the staff is permanently reconstructed it will be found possible to perpetuate the bulk, if not the whole, of the saving. I gladly avail myself of the present opportunity to cordially acknowledge the willing and valuable co-operation afforded by the Treasurer to the Government in reducing the cost of his establishment. Taking these several items into account the reduction that has been effected by Your Excellency in personal emolument amounts to a little over \$32,000 per annum. This reduction is a *net* reduction, after taking into account all increases, including a number of items aggregating \$3,696 inherited from your predecessors for stipulated increments, and \$1,272 for cost of the new method of signalling the approach of vessels. It was hoped that the Commission which was recently appointed at the instance of the honourable member who represents the Chamber of Commerce might be able to suggest some means of reducing the cost of the latter service: they have, however, as is not unusual with Commissions, recommended that the expenditure be largely increased. As the carrying out of their recommendations involves the previous concurrence of the War Office, and the obtaining of that concurrence will necessarily occupy some time, the provision for the service has been left unaltered: if ultimately their recommendations are adopted, provision will be made for the additional expenditure by means of a financial minute in 1894. With these observations I move the first reading of the Bill.

The COLONIAL TREASURER seconded.

Bill read a first time.

SUPPLEMENTARY APPROPRIATION BILL FOR  
1892.

The COLONIAL TREASURER—I have the honour to bring up for first reading a Bill entitled the Supplementary Appropriation Bill for 1892. I do not think this Bill will detain us

very long. As reference to the introductory page will show, there was provided for ordinary expenditure for the year \$1,773,918, and there was expended \$1,882,474.49, showing an excess of ordinary expenditure over revenue of \$108,556.49. With regard to extraordinary expenditure there was provided \$680,078, and there was expended \$460,362.77, showing a saving of \$219,715.23. After deducting the excess in the ordinary expenditure there remains a net saving of \$111,158.74, but in order properly to adjust the accounts of the Colony I have to ask the Council to vote on account of ordinary expenditure \$147,842.38 and on account of extraordinary expenditure \$87,269.55, or a total of \$235,111.93. I would wish, however, to point out to the Council that they have already voted—if I include \$100,000 for the 13th payment of 1892—on account of ordinary expenditure \$161,148.76, and for extraordinary expenditure \$86,202.99, making a total of ~~\$247,351.75~~ \$247,351.75, as against a total sum now asked for of \$235,111.93. The principal causes of excess are, as shown in the estimates, occasioned by the 13th payment and by the fall in exchange. Apart from these increases, there is not much requiring explanation, and what small additions I may have to make to the explanations printed in the estimates I should prefer to leave till the second reading of the Bill at the next meeting of Council. With these words I beg to introduce the Bill for its first reading.

The COLONIAL SECRETARY seconded.

Bill read a first time.

ADJOURNMENT.

HIS EXCELLENCY—That being all the business before the Council I should like if the unofficial members would be able to meet again on Wednesday week. It will be necessary to pass the estimates before the end of the month. Council will adjourn till Wednesday week at 3 o'clock.