

14TH DECEMBER, 1895.

PRESENT:—

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

Hon. J. H. STEWART-LOCKHART, Colonial Secretary.

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

Hon. A. M. THOMSON, Acting Colonial Treasurer.

Hon. F. A. COOPER, Director of Public Works.

Hon. R. MURRAY RUMSEY, Harbour Master,

Hon. COMMANDER W. C. H. HASTINGS, Acting Captain Superintendent of Police.

Hon. C. P. CHATER.

Hon. HO KAI.

Hon. T. H. WHITEHEAD.

Hon. E. R. BELILIOS, C.M.G.

Hon. A. McCONACHIE.

Mr. J. G. T. BUCKLE, Acting Clerk of Councils.

MINUTES.

The minutes of the previous meeting were read and confirmed.

REPORTS.

The COLONIAL SECRETARY—I lay on the table a report by the Director of Public Works on the cost of constructing the proposed road from Victoria Gap to Mount Kellet Road, and beg to move that it be referred to the Public Works Committee.

The DIRECTOR OF PUBLIC WORKS seconded.

Carried.

THE FINANCE COMMITTEE.

The COLONIAL SECRETARY—I have the honour to bring up reports of the Finance Committee, Nos. 9 and 10, and in doing so it gives me very great pleasure to inform your Excellency that all the items of the Appropriation Bill, with the exception of one, have been unanimously recommended by the Committee. The item in regard to which there is not unanimity is the military contribution, and I am desired by the unofficial members to inform you that they are all opposed to that item as it now stands. The question was put that the item be recommended, and the hon. the senior unofficial member moved as an amendment a resolution to the following effect:—"That this vote be reduced to 17 $\frac{1}{2}$ per cent. of the general revenue of the colony, less the proceeds of land sales and less the municipal revenue, the items of which this latter shall be composed to be adjusted between the Imperial and the Colonial Governments." That amendment was put to the Committee, sir, but was not carried, all the unofficial members of the Committee voting for it, and the official members voting against it. The amendment having been lost the original resolution was then put, when the official members voted for it and the unofficial members against it. I suggest, sir, that the consideration of this

matter be postponed until it is brought up at the Committee stage of the Appropriation Bill.

The suggestion was adopted.

THE CLEANING OF THE DRAINS.

HON. E. R. BELILIOS—Your Excellency, under your instructions I have amended my first question, and with your permission I now put it:—Will the Government be good enough to say why (experiments having shown the practicability of such a course) steps are not taken to pump up sea-water to the higher levels in order to wash out the drains?

The COLONIAL SECRETARY—I beg to state that as at present advised the Government considers the cost of such a project prohibitive, and, even if funds were available, it seems that it would be more advisable to utilise them for the purpose of still further increasing the water supply from Tytam or Pokfulam—a subject which is engaging the attention of the Government.

THE QUEEN'S STATUE.

HON. E. R. BELILIOS—Will the Government kindly inform the Council the reasons for the suspension for many months and the apparently indefinite postponement of all work on the base and pedestal for the Jubilee statue of Her Majesty the Queen? Is there any insuperable obstacle in the way of erection of the statue, which has now for nearly a year been interned in the godowns, instead of being placed in the position for which it was designed?

The COLONIAL SECRETARY—in reply to the first part of the question I have to state that the work was temporarily suspended as it was considered inadvisable during the typhoon season to expose the superstructure while it was being completed. The reply to the second part of the question is, No, and it is hoped the statue of Her Majesty will soon be erected.

THE SUPREME COURT FUNDS ORDINANCE.

The ATTORNEY-GENERAL—I have the honour to move the second reading of the Bill entitled an Ordinance to amend the law as to certain moneys paid into the Supreme Court or to the Registrar thereof. Hon. members will observe from the memorandum of objects and reasons which I have placed at the bottom of the Bill that the Secretary of State issued instructions "that an Ordinance should be passed somewhat on the lines of The Suitors Fund Ordinance, 1891, of the Straits Settlements, under which the Court moneys are placed on deposit with the Colonial Treasurer and the Government is made liable to make-

good all moneys so placed on deposit together with interest at the rate of two per cent. per annum." Where the parties desire to obtain a greater interest than the two per cent. provided by the Bill, they must apply for an order of the Court to sanction any particular investment. The Bill is very similar to the Straits Settlements Ordinance above referred to, which was based upon the Imperial Act 35 and 36, Vict. 44, sect. 14-19. It was thought desirable that all moneys paid into Court should in future bear a guaranteed interest so that persons should know that they ran no risk with regard to any money paid into the Court. It is quite true that two per cent. appears to be a small interest, but hon. members will observe that under section 2 all moneys which shall not be required by any written law to be dealt with in any particular way and shall not be required by any order of Court to be laid out in any particular investment shall be placed by direction of the Registrar of the Supreme Court on deposit with the Colonial Treasurer. If persons are desirous of obtaining a larger interest than two per cent.—if, for instance, they want their money out on mortgage or on any investments that might bring them a larger sum, then they would have to apply to the Court. Of course the applicants must run the risk inseparable from investments and mortgages of that kind, which are subject to changes in their value as land may go up or down. And orders might not in all cases be made. The Ordinance is to be worked by a series of rules, which are made and provided by the 4th section. The Chief Justice, with the concurrence of the Governor, may make the rules for carrying the Ordinance into effect. Then there is the suspending clause added for which, when we come into Committee, I shall ask to have substituted another clause when the rules are drafted. The rules of the Straits Settlements are somewhat complicated and require modification to suit the purposes of Hongkong, and as the Registrar, Mr. Kyshe, who has acted as Registrar in the Straits Settlements, will be here shortly—I think in the course of a month or two—it will be advisable, before these rules are settled, to have the advantage of his experience, and consequently there may be some improvements he might be able to suggest. Under these circumstances I ask you to vote for the second reading and let the Bill pass into Committee stage and stand over until we have framed the rules.

The COLONIAL SECRETARY seconded.

Bill read the second time and passed into the Committee stage.

THE STAMP ORDINANCE.

The ACTING COLONIAL TREASURER—Sir, I have to move the second reading of the Bill entitled "An Ordinance to further amend the Stamp Ordinance, 1886." The main object of the Bill is to amend the law so as to allow the stamping of certain documents after execution without payment of a penalty. The theory of stamping is that all documents liable to duty should be stamped before execution, but in practice in

England it was found very inconvenient to insist on this principle being carried out. The practice at home was therefore modified accordingly, and it was represented to this Government that the local law should be altered on similar lines. The other change of importance is the reduction of penalty on documents stamped after execution. It is considered that the present penalties, ten and twenty times the deficient duty, are practically prohibitive in many instances. I therefore move the second reading of the Bill.

The COLONIAL SECRETARY seconded.

The Bill was considered in Committee, and passed through all its stages without amendment.

THE APPROPRIATION BILL FOR 1896.

The COLONIAL SECRETARY—We are now in Committee on this Bill, and I have already reported to your Excellency the discussion that has taken place in the Finance Committee. I propose that we now proceed to consider this Bill item by item as in former years.

The Government and the Sanitary Board.

When the item "Governor and Legislature, \$43,259" was read,

Hon. T. H. WHITEHEAD said—I beg to move the reduction of this vote by the sum of \$100. My object in doing so is to complain of the action of the Government in regard to the Sanitary Board, and of the protracted delay on the part of the Government in reconstructing the Board on a proper basis. In your opening address to the Council on 28th November, 1894, your Excellency then said—"That a Sanitary Board, meeting once a fortnight, could properly control and direct such a staff I do not believe, and that four or five independent gentlemen could be found who have time and inclination to devote several hours daily to such a task is beyond the bounds of possibility. I hope shortly to be in a position to inform you definitely what steps it has been decided to take to place the Sanitary Board on a new basis." A year later, at the opening of the present session on 25th ultimo, your Excellency made an explanation and stated, "Some opposition has been offered to my views in certain quarters, and it is not improbable that a compromise will eventually be suggested by the Secretary of State, but as yet no decision has been arrived at. There are those who have pretended to see in the action of the Government an attempt to deal a deathblow to the Sanitary Board. I disclaim any such motive; and even had such been my object I should at least have adopted measures better calculated to effect it—measures which would have left no doubt whatever as to my intentions." Sanitary methods in Shanghai and Singapore under the management of a

Municipal Council have so far given satisfactory results, while our system is continuously and adversely criticised and not without good reason, as the most obnoxious and the most poisonous odours are to be met with in every street in the town. The accumulations of filth discovered in the native part of the city last year were permitted by official neglect. The blame cannot be attributed to the Sanitary Board, which never had power given to it to carry out necessary work. Quite recently the honourable the Colonial Secretary spoke at a public meeting and bore testimony to the quality of Hongkong residents. He said:—"So far as the public spirit is concerned I have never known any object worthy of support brought forward which has not received support in every way from the inhabitants of Hongkong..... I have never come across such a well-informed community; it has been acknowledged as a most enlightened community, and such a standard of intelligence could not have been maintained except by reading." With the honourable member I can cordially agree in this instance, and I believe that we have in our midst men eminently well qualified to render good service on a properly constituted Sanitary Board. It is a matter of the greatest importance to the colony that the reconstruction of the Board should not be longer delayed. I submit that a copy of all the correspondence between the Colonial Government and the home authorities, and other documents, including the reports of the unofficial members on the subject, should not be longer withheld, but should be laid upon the table. I hope the Government will deem it expedient to do so without further delay. The Council and the community are now, after waiting twelve months, fully entitled to know what has been done. With a view to giving the Government an opportunity of replying to the points raised I trust that one of my official colleagues will second *pro forma* this motion, as was done by a former Colonial Secretary, Sir G. O'Brien, on a similar occasion.

Hon Ho KAI—With a view to give an opportunity for discussion I beg to second the motion.

There were no other remarks and the vote was taken as follows—

FOR.	AGAINST.
Hon. A. McConachie.	The Acting Captain Superintendent of Police.
Hon. T. H. Whitehead.	The Harbour Master.
Hon. E. R. Belilius.	The Director of Public Works.
Hon. Ho Kai.	
Hon. C. P. Chater.	The Acting Colonial Treasurer. The Attorney-General. The Colonial Secretary.

His EXCELLENCY—I have much pleasure in informing the hon. member representing the Chamber of Commerce that I will lay the papers before the Council when I am in a position to do so; but not having received any definite decision from the Secretary of State I am unable to do so at present.

The Reform Petition.

Hon. T. H. WHITEHEAD—I beg to move the reduction of this vote by the sum of \$100. My object in doing so is to submit, sir, with every respect, that the Council and the community are now entitled to know what has been done by the Government in connection with the petition, dated May, 1894, and presented to the House of Commons in March last, praying for reform in the constitution of the local Government. At last meeting the Council was informed that the matter being still under the consideration of the Secretary of State it would be premature to publish any part of the correspondence. The petition was signed by an overwhelming majority of the British residents, and by men representing very vast interests in the colony. One of those who signed was Mr. Mackintosh, of Messrs. Butterfield and Swire, a very able and a very farseeing man. In a letter I recently received from him he says that:—"The community will never rest satisfied until we have the management of our municipal affairs in our own hands." Another of the signatories to the petition was Mr. Jackson, of the Hongkong and Shanghai Bank, who has rendered very valuable services to Hongkong. When the petition was drafted Mr. Jackson informed me that "after careful perusal he thought the petition a very moderate one, and he could not see how any independent man could have any objection to signing it." Sir, there is some reason to think that the community's wishes in this matter have been thwarted by the Government. In fact, I have been credibly informed that the honourable the Colonial Secretary has openly stated that his elaborate memorandum on the subject has completely squashed the petition and all chance of its success.

The COLONIAL SECRETARY—I rise to order. I should be obliged to the hon. member if he will kindly state now, at this Council table, from whom he derived this information.

Hon. T. H. WHITEHEAD—I have it from elating members of the community.

The HARBOUR MASTER—Name!

The COLONIAL SECRETARY—I challenge the hon. member to give names.

Hon. T. H. WHITEHEAD—Sir, I also have it from Government officials and heads of departments.

The HARBOUR MASTER—Name!

Hon. T. H. WHITEHEAD—if I gave away the sources of my information now I would be shutting the door against myself, and would be depriving myself of getting further information in the future.

The COLONIAL SECRETARY—it is needless for me to comment on the manner in which the

hon. member has accepted my challenge. I deny most emphatically that I have ever given expression to any such views.

Hon. T. H. WHITEHEAD (resuming)—I would direct the attention of the Council to the Parliamentary report of 1847, more particularly to a paragraph thereof on page 9. The Select Committee of members of Parliament who then enquired into Hongkong affairs recommended: "That a share in the administration of the ordinary and local affairs of the island should be given by some system of Municipal Government to the British residents." If there was need for a Municipal Council forty-eight years ago, there is urgent pressing necessity for it now as the Imperial Government have decided to annex $17\frac{1}{2}$ per cent. of our municipal taxes in future for Imperial purposes. The Municipal Council of Shanghai is composed of business men, its government is of an exceptionally high order, excelled nowhere in the world, and only very seldom equalled. In its past history Hongkong has had amongst its business men those who have rendered eminently valuable and important public services. I refer to such men as Sir Thomas Sutherland, Mr. Richard Rowett, the late Mr. Bulkely Johnson. Mr. Wm. Keswick, the late Mr. Phineas Ryrie, and others of whom any community might justly feel proud. Sir, in speaking in this Council, shortly after your Excellency's arrival, on the subject of increased representation in the legislature, I said:—"The hurried legislation in question undoubtedly caused friction, but we rejoice to find that during the short period your Excellency has been here we have had repeated proofs of your desire to meet the wishes of the public. The colonists therefore with every reason look forward to good results from your rule, but if I may be allowed to offer a suggestion I think a majority of the unofficial members would be a further advantage to the colony. I therefore venture to sincerely hope that before your Governorship has expired your Excellency will have secured for Hongkong what our late lamented friend and former Governor Sir John Pope Hennessy obtained for Mauritius, viz., a majority of unofficial members in the Legislative Council. Mauritius is not the only British Crown Colony so favoured. The other day British Honduras received a majority of unofficial members in its legislative assembly. If Mauritius and British Honduras are so trusted, surely this loyal and progressive colony is fairly entitled to similar consideration. Should your Excellency not be disposed to concede a majority, let the number of the official and unofficial members be equal, and all the unofficial members elected by the popular voice and not as at present mostly by Government nomination." I sincerely hope the Government will reconsider their decision and will lay a copy of the papers on the table. There cannot be anything in them to conceal, but should any mistakes have crept into them the sooner they are rectified the better.

There being no seconder the vote was passed.

The Colonial Surgeon and the Sanitary Board.

Hon. T. H. WHITEHEAD—I beg to move the reduction of this vote by the sum of \$100. I do so with great reluctance. Notwithstanding my old friendship with him, and my high appreciation of his long and valued services, I feel it my duty to direct the attention of the Council to certain remarks in the Colonial Surgeon's report for 1894. They are as follows:—"As a compulsory member of the Board words are insufficient to express my disgust at, in any way, being a part of it. As regards a Municipal Council I have no belief in the possibility of such an institution. The community is too small and the conflicting interests of its members too great..... I leave the colony for a time with regret. The only thing I do not regret leaving is the Sanitary Board as a body, and I hope before I return there will be some improvement as to the individual members." I respectfully submit these remarks are of such a nature that they should not have been included in the report on the department, and that they might well have been left unsaid. Far be it for me to suggest that your Excellency should suppress any portion of Departmental reports, as was done by the Government here in 1875. But, sir, I think the ratepayers should not be put to the expense of printing gratuitous and irrelevant remarks of the kind I have quoted.

Again the hon. member failed to get a seconder and the vote was passed.

The Military Contribution.

The vote for \$440,215 for Military Expenditure was the last item in the Estimates upon which discussion was raised.

Hon. C. P. CHATER—Sir, as the Chairman of the Finance Committee has already informed you this vote was not agreed to by the unofficial members. An amendment was proposed by me, and the reasons for bringing it forward were given at the Finance Committee. I therefore now will again propose the amendment: "That this vote be reduced to $17\frac{1}{2}$ per cent. of the general revenue of the colony less the proceeds of land sales and items of municipal revenue, the items of which to be adjusted between the Imperial and the Colonial Governments."

Hon. HO KAI—Sir, I rise to second the amendment of my hon. friend, and in doing so wish to add my emphatic protest against the unjust—

His EXCELLENCE—What was that? I did not quite hear.

Hon. HO KAI—Against the unfair and unreasonable exaction that is sought to be imposed on the colony, that is to say, $17\frac{1}{2}$ per cent. on all revenue, including municipal rates, for the pur-

poses of military contribution. When we heard at first the proposal to accept $17\frac{1}{2}$ per cent. of the colony's revenue as our military contribution we were rather glad, because we thought that the $17\frac{1}{2}$ per cent. would be levied on the general revenue only, not including the municipal portion of the colony's revenue, as in the case of Singapore. We were very much disappointed when we received the despatch of the Right Hon. the Secretary of State and found that we were wrong in our belief. Even then we hoped that it was only by an oversight that the home authorities had charged the $17\frac{1}{2}$ per cent. on the whole of the gross revenue of the colony instead of making an exception of the municipal portion of it. We addressed a united letter to the Secretary of State, and that letter met with your Excellency's kind support, and it was hoped that as we had your support he would see the matter from our point of view; but instead of that we have received a despatch from him, refusing to make the exception which we asked for. He has given certain reasons in this despatch to support the conclusions he has arrived at, and in the last part of the despatch he says that he "trusts that on further consideration the members of the Legislative Council will agree that this forms a fair and reasonable settlement of the question;" but since we received this despatch we have considered the subject well and thoroughly, over and over again, and we certainly could not agree that it formed anything like a reasonable or fair settlement of the question. To begin with, I may state that I do believe that the Secretary of State, as well as every man at this period, the end of the nineteenth century, would agree that in principle it is wrong at any time to levy contributions from any purely local revenue, which ought to be applied for purely local purposes, to levy contributions for Imperial purposes or for anything outside of local needs. I do not think the Secretary of State would dispute that principle at all; but while he considers on the one hand that Singapore is entitled to the exemption of its municipal revenue from the calculation of $17\frac{1}{2}$ per cent. he on the other hand, taking into his consideration matters of minor importance, argues that we are not entitled to have that principle applied to us. The first reason he gives for feeling that this colony should be treated differently from Singapore is that "the municipal revenues of the Straits Settlements are only about 20 per cent. of the gross revenues, and that for the sake of comparison between the two colonies I could not regard as municipal several of the items specified ... which altogether amount to over 30 per cent. of the revenue." I am not aware that we sent to the Secretary of State anything except what we consider items of municipal revenue; but surely the inclusion, even wrongly, of any item under that head does not give the Secretary of State a right—or rather cannot induce the Secretary of State—to deprive us of the benefits of legitimate exemptions. Supposing any item not to be properly included in the amount making up the difference between 20 and 30 per cent., it does not

militate against the principle that we have a right to ask the Secretary of State to have our local revenue kept purely for local purposes, free from the liability of having to contribute towards the military expenditure. Then, again, the second reason which the Secretary of State gives is that "in that colony also the municipalities contribute about \$72,000 to the general revenue for police purposes." Now it appears to me that what he means is that Singapore having contributed something towards the general Straits revenue for police expenses in certain localities which the municipality could not well reach, for that they have their municipal revenue exempted from the calculation for military purposes. Now, in Hongkong, we have entrusted too much, in fact, entrusted everything, to the Government; and therefore we shall not have that exemption. I suppose the moral is that we had better have a Municipal Council for ourselves, and then if we like to entrust certain municipal duties to the Government we shall be treated like the Straits Settlements and have the municipal revenue exempted. I do not think this is a cogent reason why we should not be placed on a par with the Straits Settlements. The third and last reason stated by the Secretary of State in his despatch is that the Straits Settlements, being nearly fifty times larger than this colony, are more difficult and more expensive to govern, while the general revenue is only about three times that of Hongkong; and Hongkong being very much more populous in proportion to area and more easily governed, therefore we must pay a larger amount of military contribution, and our municipal revenue will also for that reason be included. I do not see any reason in that at all. Just because Hongkong is a smaller place and more populous—fifty times more populous in proportion—and just because we have a smaller area and also a more perfect system of water supply and drainage and all that sort of thing—though we have to borrow money and incur large debts to pay for all this—and just because we have a splendid Central Market bringing in a very large amount of interest on the capital we expended—for that reason alone we should contribute more and have our municipal revenue laid under the contribution.

His EXCELLENCE—But we have a far larger military and naval force in Hongkong than in the Straits.

Hon. HO KAI—Yes, but for Imperial purposes. I quite agree that if the colony produces a million or two million dollars more revenue than we get now, it is still fair that we should

have to pay $17\frac{1}{2}$ per cent. of it. That might increase to two or three lakhs—I should be glad if the time would come for Hongkong to pay a million dollars as its $17\frac{1}{2}$ per cent. (Laughter and applause). But what I say is that the more we have to borrow and spend, whether on the sanitary department or the water supply or new roads or anything else for the good of the colony, we shall require a larger amount of money, and we must borrow the money and pay interest on the loans unless we happen to have surplus enough to defray everything. Now, we cannot do that in future without some of the works returning to us some amount of interest or profit; but this return will be insufficient to meet interest on the loans and sinking fund as well as the $17\frac{1}{2}$ per cent. military contribution. So the effect of that policy will be that Hongkong will gradually have to stop all public works and improvements; otherwise the more it improves the colony (raising money to do so) the more it will have to pay to the Imperial Government as military contribution. For these reasons, which I regret to have expressed so roughly, I beg to second the amendment.

Hon. A. McCONACHIE—Your Excellency, I beg to rise in support of the amendment proposed by the senior unofficial member. When a few years ago our military contribution was increased in one bound from £20,000 to £40,000 per annum, we protested that the amount was excessive and unfair. We also protested against any sum we might be called upon to pay being fixed in gold, on account of our income being entirely in silver. In answer to our protest and in order to settle these "vexed questions" we are made what is termed a fair offer, viz., $17\frac{1}{2}$ per cent. on our entire revenue, less premium on land sales. The offer is certainly a very fair and safe one, as I shall shortly prove, for the home Government, but it is quite the contrary for this colony; and I hope it may never be accepted. If honourable members will kindly refer to page 3 of the Estimates it will be there found that the revenue, less premium on land sales, for 1896, is estimated at \$2,218,366, and $17\frac{1}{2}$ per cent. on that sum makes our contribution \$388,215, and if we take this latter sum at exchange $2/1\frac{1}{2}$ it will give £41,247 16s. 10d. In other words, in answer to our earnest appeal for some relief we are called upon to pay £1,247 16s. 10d. more. It is perfectly well known at home that the expenditure of this colony is bound to go on increasing, and in consequence more and more revenue must, in proportion, be raised by increased taxation to meet the increasing expenditure, and the larger our revenue the more we will have to contribute to the war chest, and herein is to be found the safety of the offer made, from the home point of view. The military contribution in itself we hold is more than the colony can afford to pay, but as if it were not enough a further demand for barrack works is made upon us of one-third of \$1,338,536, or say \$446,178,66, to be spread over yearly payments of about \$44,000 for the

next ten years. Is there to be no finality to these demands made upon us, and are the large sums the colony had to pay for building the forts already forgotten?—sums so large that the colony had to negotiate its first loan in order to be able to pay them.

The COLONIAL SECRETARY—I do not wish to interrupt, but I must call attention to the standing rules and orders—"A member may not read his speech."

Hon. A. McCONACHIE—I am not reading my speech, but there are so many figures to quote that I must refer to my notes to give them correctly. In the charge upon our public debt will be found a strong argument why all municipal rates should be excluded from the $17\frac{1}{2}$ per cent. contribution. At page 7 of the Estimates we find that for 1896 we have to pay no less a sum than \$131,552.64 for interest and sinking fund during next year, and as the sinking fund is only charged for six months I presume this sum will be greatly increased in the following year. $17\frac{1}{2}$ per cent. on \$131,533 is equal to \$23,021.77, and this other sum would pay interest and sinking fund on \$550,000, and by that sum our debt is increased by our military contribution, and all future public works will be increased in like proportion. Is it therefore surprising that we are alarmed and protest? No, and we mean to continue to protest, as those smarting under a feeling of injustice alone know how and until we gain that fair treatment which is our due and which in the end I feel sure will not be denied us. All we ask for are terms the same as have been offered to Singapore, and surely that is not too much.

Hon. T. H. WHITEHEAD—Sir, in the Finance Committee a few of the arguments that could be brought forward I attempted to adduce. Three or four years ago, when the contribution for military purposes was increased from £20,000 to £40,000, the Imperial Government then required that the colony should pay the £20,000 increase before the increase in the garrison was made, although the increase of the garrison was held forth as the excuse for the increase of the contribution. The remarks I then made are very brief, and as applicable to the case to-day as they were then. On the 19th March, 1891, I said:—"The proceedings of the Imperial Government on the question are not characterised by reason or equity. I submit they are arbitrary and unjust. In my opinion they are calculated to imperil good government and must tend to weaken and impair the allegiance and alienate the good will towards the mother country of one of the most loyal of Her Majesty's colonies. There is a distinct breach of faith on the part of the War Office, and a glaring violation by the Imperial Government of a solemn agreement of its own

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berately entered into. It might be well for Her Majesty's advisers to bear in mind that, as stated in the Singapore Council the other day, loyalty is a hardy plant that requires and demands a fair field and no favour, and that under injustice loyalty withers. Against such unconstitutional doings and such a serious injustice to the taxpayers of Hongkong as is now contemplated I most earnestly and most emphatically protest. Possibly the Government could not carry this vote if all the official members voted in accordance with their convictions on this subject, but whatever their opinions may be they are allowed no choice in the matter and will be required to vote as Government directs them." That is what I then said, and to-day I presume a similar course will be followed. My sympathy is with the official members, yet I am glad to find that your Excellency coincides with our views in the matter of the basis on which the 17 $\frac{1}{2}$ per cent. should be levied. To vote as we are now asked to do will be to sound the death knell of the future progress and welfare of the colony of Hongkong, and, sir, I protest, and protest most emphatically against any such imposition.

Hon. E. R. BELILIOS—Your Excellency, the proposed exaction of 17 $\frac{1}{2}$ per cent. of our whole revenue for military contribution to the Imperial Government is so iniquitous and absurd—(laughter)—that I am convinced in the belief that no body of business men could be found in the world to accept the proposal. Under the circumstances I beg to point out an alternative. When our military contribution was fixed at £40,000 per annum it was pointed out that it was to be paid in sterling, and in 1891, when the first of these sums was remitted home, exchange was high, and the amount was about \$254,000. Now the last contribution, paid early this year, reached to nearly \$371,000, an increase of some \$117,000. Had exchange remained stationary we should have been content to go on paying the £40,000, as we then agreed with our eyes open, but the sudden decline in silver and the consequent augmentation of our military contribution caused an outcry and an agitation to get the payment fixed in silver. The result of the movement is that, under the proposed arrangement to pay 17 $\frac{1}{2}$ per cent. of our whole revenue, we are now called upon to hand over \$388,000, a sum actually larger than we have ever paid before. We have asked for bread and the Imperial Government offer us a stone. Under the circumstances will it not be advisable to revert to our old system of paying the contribution in gold? ("No, no," from the unofficials.) By adopting this course we should not only avoid the last increase of \$17,000 in the amount, but we should retain two contingencies in our favour—namely, the possibility of a rise in exchange and that of an increase in our revenue. Both of these contingencies I at all events regard as highly probable of realization, in the natural course of events, and in a few years we might even be in the position of having only \$254,000 to pay, as in 1891. On the other hand, if we adopt the method suggested of making the

contribution a percentage on our revenue, we may by-and-bye be expected to hand over half a million of dollars yearly to the War Office as our contribution towards the military expenses. I think we are within our rights in asking to be allowed to revert to the system of paying in gold, since the percentage proposed emanated from the Straits Settlements and not from Hongkong. With regard to the demand made upon the colony for money already spent in barracks, &c., I think it is unreasonable for the War Office to come down upon us for a vote without any previous intimation of the manner in which it was to be applied. It is unfortunately only too true that we are powerless to effectively resist the dictation of the War Office—

The COLONIAL SECRETARY—With regard to the statement about the War Office the hon. member must be aware that a despatch was laid on the table as far back as 1890 giving full particulars.

Hon. E. R. BELILIOS—I mean the present instructions from home. But there surely is no need to treat the colony so cavalierly as to spend the money first without reference and then calmly present the bill for payment. It is excellent to have a giant's strength but it is tyrannous to use it like a giant. I have put forward this suggestion to revert to the payment in sterling in the hope that it may be permitted, as I regard it as an alternative in every sense preferable to accepting the percentage proposed and I hope the suggestion will lead to some modification of what we think is an injustice to this colony. With these remarks I beg to support the amendment.

His EXCELLENCY—Would any other member like to say anything on the subject? If not I should like to make a few remarks in regard to my position in the matter. Whilst I very much regret that the Secretary of State has not seen fit to make any concessions in the direction wished for by the unofficial members, I must regard the despatch laid on the table as a definite instruction from the Imperial Government, and when I say that, I do not mean merely the Secretary of State for the Colonies but the three Departments—the Colonial Department, the War Department, and the Treasury. This is part of a great Imperial question, the details of which are perhaps not fully known to us. I have laid on the table all the correspondence I have had with the Secretary of State. Nothing has been suppressed. Everything I have written has been laid on the table, and I have pleaded the cause of the colony to the best of my ability. (Applause). I must ask you, however disagreeable to the

hon. member for the Chamber of Commerce, to pass the amount included in the estimates until this question of percentage is absolutely definitely settled. I have listened with great interest to the speeches made and I have heard what has transpired in the Finance Committee, and I shall have a great deal of pleasure in forwarding a report of the debate and the alternative suggestion made by Mr. Beliliros to the Secretary of State, and also, if you wish it, any further expression of your views you may desire me to send. But I must ask you now to vote the amount put to the Council.

The amendment was then put with the following result:—

AYES.	NOES.
Hon. A. McConachie	The Acting Captain Superintendent
Hon. T. H. Whitehead	of Police
Hon. E. R. Beliliros	The Harbour Master
Hon. Ho Kai	The Director of Public Works
Hon. C. P. Chater	The Acting Colonial Treasurer
	The Attorney-General
	The Colonial Secretary

The original question was then put and carried; the unofficial members voted in a body against it.

Hon. C. P. CHATER—Your Excellency, this vote now being passed, I beg to give notice that it is the intention of the unofficial members at an early date to hand your Excellency a memorandum to be forwarded by your Excellency to the Right Hon. the Secretary of State for the Colonies placing our case before him and asking him for a favourable consideration.

His EXCELLENCY—I shall be very glad to do so.

Council resumed.

The COLONIAL SECRETARY—Sir, no changes having been made in Committee, notwithstanding the numerous amendments moved by the hon. member for the Chamber of Commerce and his references to the statements of irresponsible chattering—

Hon. T. H. WHITEHEAD—Sir, I must protest against that remark.

His EXCELLENCY—Do you mean what people outside the Council have told you?

Hon. T. H. WHITEHEAD—I mean leading members of the community and two heads of departments.

The COLONIAL SECRETARY—I repeat irresponsible chattering whose names the hon. member refuses to give and whom therefore we can only regard as unknown quantities. Again I say they are irresponsible chattering and their statements are invented. I now beg to move the third reading of the Bill.

The ACTING COLONIAL TREASURER seconded.

Hon. C. P. CHATER—As a matter of form I must oppose the third reading of the Bill.

Bill read the third time. All the unofficial members voted against it.

THIRD READINGS.

The Council read for a third time and passed the Bill entitled "An Ordinance to amend the Widows and Orphans Pensions Ordinances of 1890 and 1891 (No. 30 of 1890 and No. 18 of 1891)," and the Ordinance to authorise in certain cases judicial investigation into the causes of fires.

ADJOURNMENT.

His EXCELLENCY—Gentlemen, we are all entitled to Christmas holidays. I adjourn the Council to this day month. (Applause).