

# HONGKONG LEGISLATIVE COUNCIL.

25<sup>TH</sup> OCTOBER, 1897.

PRESENT:—

His EXCELLENCY the GOVERNOR. Sir WILLIAM ROBINSON, G.C.M.G.

COLONEL ELSDALE, R. E. (Officer Commanding the Forces).

Hon. J. H. STEWART LOCKHART (Colonial Secretary).

Hon. W. M. GOODMAN (Attorney-General).

Hon. R. MURRAY RUMSEY (Harbour Master).

Hon. F. H. MAY, C.M.G. (Captain Superintendent of Police).

Hon. T. SERCOMBE SMITH (Colonial Treasurer).

Hon. R. D. ORMSBY (Director of Public Works).

Hon. C. P. CHATER, C.M.G.

Hon. Ho KAL.

Hon. T. H. WHITEHEAD.

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

Hon. J. J. BELL-IRVING.

Hon. WEI A. YUK.

Mr. J. G. T. BUCKLE (Clerk of Councils).

NEW MEMBER.

Mr. R. D. Ormsby took the oath of allegiance and his seat on his appointment as Director of Public Works.

MINUTES.

The minutes of the previous meeting were read and confirmed.

PAPERS.

The COLONIAL SECRETARY laid on the table the report of the Director of Public Works for the half year ending 30th June, 1897, and the report of the Special Engineer for the Praya Reclamation Works for the half year ended 30th June, 1897.

FINANCIAL MINUTES.

On the motion of the COLONIAL SECRETARY, seconded by the COLONIAL TREASURER, Financial Minutes Nos. 20, 21, and 22 were referred to the Finance Committee.

SANITARY BY-LAW.

The COLONIAL SECRETARY intimated that he regretted he was unable to bring forward the Sanitary By-law mentioned in the agenda, but he would do so at the next meeting.

CHARGES AGAINST THE POLICE.

In pursuance of notice Hon. T. H. WHITEHEAD asked the following question—Was the evidence taken by the Honourable the Captain Superintendent of Police and the Crown Solicitor in connection with the charges against Inspector Stanton and other members of the Police Force submitted to the Honourable the Attorney-General for his opinion, and was he satisfied as to its sufficiency before action was taken thereon, and did His Excellency the Governor sanction the dismissal of Inspector Stanton and other members of the Police Force with the advice of the Executive Council or on the sole recommendation of the Captain Superintendent of Police?

His EXCELLENCY—The question of the hon. member is not in order and cannot, therefore, be answered, I think it right to avail myself of this opportunity to state that I am somewhat surprised that the hon. member should have asked a question which, besides being irregular, does not seem to be intended to help the Government in dealing with a matter of extreme delicacy and of great importance to the welfare of this community. As Governor I am responsible for my acts and I have no desire to shirk that responsibility.

Hon. T. H. WHITEHEAD—Your Excellency if I may be allowed to make one or two remarks I wish—

The COLONIAL SECRETARY—The hon. member is quite out of order, your Excellency.

Hon. T. H. WHITEHEAD did not proceed further.

COLONIAL TREASURY BALANCES.

In pursuance of notice Hon. T. H. WHITEHEAD asked the following question—Under what authority and for what purposes have the Crown Agents for the Colonies recently sold in London to the Exchange Banks o/d bills on Hongkong for large amounts; if this has been done in virtue of any special instructions will

the Government lay a copy thereof on the table together with a copy of the Secretary of State's general instructions in connection with the custody and the disposal of the Colonial Government's cash balances in Hongkong?

The COLONIAL SECRETARY—The authority for which the hon. member asks is that of the Secretary of State. The purposes for which the Crown Agents recently sold in London on demand bills in Hongkong were (a) to pay for the silver used in minting, freight, and carriage expenses incurred in connection with consignments of subsidiary coins, (b) to meet the usual expenditure incurred on behalf of this Government by the Crown Agents. The general instructions in connection with the custody and disposal of the cash balances of the Government will be laid upon the table.

HONGKONG'S CONTRIBUTION TO QUEEN  
VICTORIA'S JUBILEE FUND.

In pursuance of notice the Hon. T. H. WHITEHEAD asked the following question:—Can the Colonial Government's contribution of \$98,892.28 towards the Queen's Jubilee Fund be paid out of the existing balance of the sterling loan, or out of revenue balances in hand, or partly out of one and partly out of the other, or is it to be paid out of revenue? If out of revenue how is such revenue to be raised and will the Imperial Government forego its claim to the military contribution of  $17\frac{1}{2}$  per cent. on \$98,892.28, viz:—\$17,306.15, and present it to the colony as the Imperial Government's contribution towards the Jubilee Fund?

The COLONIAL SECRETARY—The answer to the former part of the question will be given by His Excellency the Governor in his opening speech. As to the latter part of the question the Secretary of State has refused to remit the  $17\frac{1}{2}$  per cent. to which the hon. member alludes.

HANSARD REPORT.

Hon. T. H. WHITEHEAD gave notice of the following question:—If the Honourable the Colonial Secretary, after last meeting of the Finance Committee of this Council held on 13th ulto. requested or directed the Reporter of the *Daily Press* and for the official Hansard report of the proceedings of this Council, to suppress any portion of the discussion on the subject of the Military Contribution which took place at said meeting, and if it was at his suggestion that a question put by me at that meeting with reference to the Military Contribution, the Honourable Member's reply thereto, and the Honourable the Colonial Treasurer's correction of an error into which the Honourable the Colonial Secretary had fallen in his reply, did not appear in the report of the meeting of the Finance Committee in any one of the three local newspapers and is not contained in the official Hansard report as sent round by the *Daily Press* to Honourable Members for revision.

THE CYPHER TELEGRAM: HIS EXCELLENCY EXPLAINS.

His EXCELLENCY the GOVERNOR—Before I submit the Estimates I wish to make a personal explanation. As there has

been a great deal of misapprehension in regard to the cypher telegram which I forwarded to the Secretary of State I would remark that what I intended to say to him was that in case there was a deficit in the budget the Jubilee contribution would be made up by additional taxation and not by a loan. I am glad to say the Secretary of State read it in that light. Anybody knowing Mr. Chater must be aware that he could not make a promise of the nature which was ascribed to him and that I could not expect it or accept it because it would be impossible for him to fulfil it. Mr. Chater on that occasion was accompanied by Mr. Thomas Jackson and the Hon. Colonial Secretary, the other principal executive officers of the Jubilee Committee. I take upon myself the entire responsibility of the telegram. I wrote it myself, and I admit it was unfortunate and unintentionally misleading. I am very sorry I mentioned Mr. Chater's name at all, as it has had the result of bringing upon him some very vulgar and scurrilous abuse, which must, however, be regarded with contempt, not to say disgust, by all those in Hongkong whose opinions are worth having. (Hear, hear, and Applause.)

HIS EXCELLENCY'S SPEECH.

His EXCELLENCY the GOVERNOR then delivered his speech as follows:—

Honourable Gentlemen of the Legislative Council,—I have much pleasure in laying upon the table the Estimates for 1898. These Estimates have been in your hands for the last fortnight. You have therefore had sufficient time to give them your careful attention, except in one important item which will necessitate a change in the figures of these Estimates.

Before proceeding to deal in detail with those points which call for special remark, it affords me satisfaction to announce that, in deference to the wishes of the shipping community, the charge for light dues has been reduced from  $2\frac{1}{2}$  cents to 1 cent per ton. When I am glad to be able to redeem the promise of the Government in this matter, I would remind you that, if hereafter necessity should arise for increasing the revenue, it may be necessary to again raise the shipping charges. I trust that this contingency may not occur.

It gives me equal pleasure to inform you that notwithstanding the reduction of the light dues, which will involve a decrease of some \$70,000 in the receipts from this source, and the unprecedentedly low value of the dollar, taken at 1s. 9d., I do not propose to levy any additional taxation. The deficiency, if any, will be fully met by large receipts from land sales during the coming year, as well as by the increased value of the opium farm. The estimate in the first case is based

upon the fact that the Government has a very valuable asset in Taipingshan, a large portion of which will almost certainly be recovered in 1898, as well as in valuable sites in other much-sought-after localities.

I would now invite your attention to the following points.

The revenue has been cautiously estimated, and is expected to amount to \$2,694,868 as against \$2,609,878 collected in 1896, or an estimated increase of \$84,990 on the total receipts for the latter year. The most noteworthy increases (in round numbers) are as follows:—

Opium monopoly, .....	\$71,680
Assessed taxes, .....	57,700
Stamps, .....	11,500
Medical treatment in the Civil Hospital, .....	3,400
Official signatures, .....	2,500
Queen's College, fees from scholars .....	3,500
Postage, .....	14,700
Leased lands, .....	17,700
Water account, .....	14,000

There are also "Interest" increases under other headings, and two "Miscellaneous" items, viz:—

Certificates to Chinese entering America, .....	\$20,000
Interest, .....	3,000

The increase under the heading "Assessed Taxes" is expected in view of the prospective re-valuation of all rateable tenements, which will come into force from the 1st July next, and the number of new buildings nearing completion. The estimated increase in the receipts on water account is due to the additional revenue derived from the establishment of the new waterworks in Kowloon and elsewhere.

In 1896 there were no receipts on account of "Interest," the Government balances being exhausted by the expenditure incurred in connection with the resumption of Taipingshan, and in dealing with the plague epidemic during that year.

The principal items, which will probably show a falling off as compared with the receipts for 1896, are as follows:—

Light Dues, .....	\$72,000
Finances, .....	22,500
Judicial expenses, .....	4,600
Fees of Court, .....	2,000
Miscellaneous receipts, .....	5,000
Subsidiary coins, .....	10,000
Land sales, .....	15,800

in addition to other minor decreases.

The Government intends to adopt a bold policy in regard to the supply of subsidiary coins, and it is probable that, if the demand for them continues to be as brisk as it is at present, the result may be more gratifying than the estimated revenue

from this source would lead me to conjecture. The Government is much indebted to the Chief Manager of the Hongkong and Shanghai Bank for his assistance and advice in connection with this subject. (Applause).

As regards land sales, I should not be surprised if, for reasons which I have already stated, instead of falling short of the somewhat exceptional figures for 1896, the revenue from this source for 1898 actually exceeded the receipts for the former year.

The total estimated expenditure, including public works extraordinary, for 1898 amounts to \$2,770,706. Of this sum \$137,830 is chargeable to the Loan, leaving a balance of \$2,632,876 to be defrayed from current revenue. This gives an estimated surplus of revenue over expenditure of \$61,992. (Applause.) In estimating the expenditure the rate of exchange, for the purpose of sterling payments, has been taken at the low value of 1s. 9d.

The difference between the estimate of expenditure for 1898 and the total sum expended in 1896 is \$295,796. Of this increase no less than \$270,906 is on account of the more extensive programme for public works extraordinary which it is proposed to carry out in 1898, and which includes several works of pressing importance to the sanitary well-being of the colony and of a remunerative nature. Some of these are destined for the general benefit and convenience of the community. Amongst the latter I may mention the improvement of the Recreation Ground at Wongneichong, which will be partly paid for in 1898; the extension of the new road, known as Chamberlain Road, at the Peak; the extension of certain streets in Kowloon; and the proposed new road from Plantation Road to Magazine Gap. This road, whilst improving the means of communication between the Hill Districts, will open up several very desirable building sites for private residences.

You will, probably, have observed that no provision—I call the hon. Mr. Whitehead's attention to this part—has been made in the Estimates for the new Victoria Road, Victoria Hospital, and Nursing Institute, which are intended to commemorate the completion of the sixtieth year of Her Majesty's reign. This loyal community having subscribed \$98,000, the Government, in accordance with its promise, proposes to add a like sum. The Finance Committee will therefore be asked to-day to vote that amount. When the vote is passed it will be charged to the revenue for the current year. The fund will then stand at the handsome total of over \$196,000, and it is proposed to draw upon it to defray the expenditure on those special works that may be incurred during 1898 and following years. It may interest you to know that I have applied for the services of three Sisters, who will be at the disposal of the community on fixed terms as soon as they arrive early next year. (Applause.)

Having explained the greater part of the estimated increase of expenditure for 1898 as compared with that incurred in 1896, it remains

to point out the most noticeable increases under other heads, viz.:—

Public debt .....	\$48,970
Pensions .....	26,950
Post Office .....	23,500
Sanitary Department .....	10,000
Public Works recurrent .....	13,500

The increased expenditure on account of Public Debt is partly due to the contribution to the new sinking fund, which only commenced in October, 1896, and partly to the depreciation of the dollar. An increase for pensions is only to be expected as the colony grows older and the number of pensioners increases.

The increase for public works recurrent is explained by the general extension of works and the consequently increased cost of maintenance. The other increases are accounted for in the foot-notes contained in the estimates.

The following substantial decreases, on the other hand, as compared with the expenditure for 1896, should be recorded:

Legal departments, .....	\$ 6,600
Magistracy, .....	3,200
Police and Gaol, .....	10,100
Miscellaneous services, .....	66,200
Military expenditure, .....	26,800

I have now, I think, dealt as fully as time permits with the Estimates for 1898 and any further information that may be desired will be furnished in Finance Committee.

As regards the financial prospects of the current year, you will observe that the revised estimate of revenue only amounts to \$2,446,065. The revised estimate of expenditure, on the other hand, is put at \$2,590,870, giving an estimated excess of expenditure over revenue of \$144,805. Since the revised estimate of revenue was prepared, the financial barometer has risen considerably and the depression, which was likely to affect the items "land sales" and "subsidiary coins," has disappeared. I have now good reason for stating that the revenue from land sales is almost certain to double the amount estimated, *i.e.*, \$200,000 instead of \$100,000—(applause)—whilst if exchange maintains its present higher rate, it is not too much to expect a profit of  $4\frac{1}{2}$  per cent. from subsidiary coins, which, on the total consignments ordered for the year, should bring in some \$100,000 instead of \$65,000 as previously estimated. This disposes of \$135,000 of the anticipated excess, and the remaining \$9,800 is more than covered by the balance in hand at the end of 1896 (exclusive of loan monies) amounting to \$13,486. An estimated deficit of over \$144,000 will thus be converted into a surplus of \$3,686. I am hopeful of even a more favourable result. The prospect may, I think, be considered satisfactory, especially when it is borne in mind that over \$98,000 will have been contributed from current revenue to the Jubilee

Fund, and that public works have by no means been neglected.

And here, gentlemen, I will briefly review the position of the colonial finances. At the time of my arrival the colony was reaping the inevitable results of over-speculation and labouring under the weight of severe financial depression. The outlook was anything but bright; business was dull, and the revenue suffered accordingly. On the other hand, there were public works of pressing importance to be carried on, *e.g.*, the Praya Reclamation, the Central Market, the extension of the Gaol, and the water, drainage, and sewerage works. It was evident that the revenue was insufficient to meet the demands made upon it.

However, I awaited the financial results of my first year of administration; and those results, gentlemen, convinced me of the necessity of raising a loan, and if you will refer to my speech to this Council on the 25th January, 1892, you will recollect that I then approached you on the subject with an expression of regret that it should have fallen to my lot to make such a proposal to you in my first address. Further experience of the situation and a study of the financial prospects for 1893 confirmed me in my opinion, and, in laying the Estimates on the 16th November, 1892, I definitely announced to you that a loan had become a necessity. You admitted that necessity, and in 1893 an inscribed stock loan of £200,000 at  $3\frac{1}{2}$  per cent. was negotiated by the Crown Agents. In the following year, the unredeemed balance of the 1887 loan, amounting to £140,000, was converted from 4 per cent. debentures into  $3\frac{1}{2}$  per cent. inscribed stock, and thus brought into conformity with the 1893 loan.

The Public Debt of the colony now stands at £341,799, the figures over and above the sum of £340,000 representing extra stock issued in connection with the expenses of conversion. Against this debt must be set the sum of £1,594, already contributed to the new sinking fund, and the unexpended balance of the loan which, on the 31st August last, stood at £43,139.

The relief afforded by the loan soon produced visible results. At the end of 1894, our balances in hand amounted to no less than \$450,000, and my early-expressed hopes seemed destined to be fulfilled. It was not, however, within the power of human foresight to contemplate the exceptional circumstances which intervened at this juncture, and which absorbed the entire amount of our credit balances. The plague of 1894 and its recrudescence in 1896 has cost this colony—directly and indirectly—nearly \$1,200,000, not to mention the large increase in the cost of the Sanitary Department, and the expenditure on various sanitary improvements. Then again, the dollar has depreciated in value nearly 100 per cent., and our sterling payments have increased proportionately. It was not therefore a matter for surprise that at the end of 1895 our balances of \$450,000, in addition to the ordinary surplus for

the year, had been wholly expended, and that a debit balance of \$171,908 was carried forward to the 1896 account. It is, however, a matter for congratulation that that debit balance was wiped out during the year, and that at the beginning of 1897 a balance of \$13,400 stood to our credit, and that, notwithstanding the Government contribution to the Jubilee Fund, there is every reasonable prospect of the accounts for the year 1898 opening with a balance on the right side. (Applause.)

And now, gentlemen, my statement in regard to the financial position has been necessarily somewhat long, but it will, I venture to hope, be regarded as most satisfactory taking into consideration all the opposing circumstances to which I have referred. I have endeavoured to fulfil my promises to avoid all "harassing and embarrassing" legislation, and to effect economy. The fulfilment of the former will be recognised in the way in which the estimate of revenue for 1898 has been framed, and of the latter in the retrenchment which has been generally effected throughout the Service. I think it right, however, to state that, in my opinion, certain posts in the Civil Service are insufficiently paid, especially when compared with similar appointments in other colonies. I trust it will be possible to remedy this defect, and thus retain in Hongkong the services of experienced officers who might otherwise accept a transfer to colonies where they would be more highly remunerated.

While on this subject I desire to avail myself of this opportunity to acknowledge the great assistance I have received during my government from all branches of the Civil Service, and to express my appreciation of the loyal manner in which they have co-operated with me in furthering the interests of the colony.

I have every reason to adhere to my confidence in the resources of Hongkong and its financial soundness. A handsome advance has been secured on the price at present paid for the opium farm—I may say it is increased from \$286,000 to \$372,000—and I wish I could look forward with equal certainty to a rise in the sterling value of the dollar.

As regards the events of the year, with one exception to which I shall refer later, there is but little to record. The Captain Superintendent of Police reports a period of comparative peace. There are, however, two noteworthy items of "Police news" to which I may refer. The first is the placing of district watchmen on police beats under the supervision of Europeans between the hours of 6 p.m. and 6 a.m., thus reinforcing the police by forty auxiliaries of a very useful stamp.

The arrangement has so far worked satisfactorily, and it is hoped that the additional protection thus afforded will tend to reduce the number of armed gang robberies, which are only too frequent in the winter months. The other innovation is the withdrawal of the Night Pass and Light Regulations. Night passes were first introduced in 1857, when, no doubt, good reasons existed for such a stringent measure. In this present year of grace, however, such restrictions cannot but be

regarded as a relic of a barbarous past and inconsistent, in these enlightened times, with the liberty of the subject. Results have justified the repeal of these regulations, and I am sure the relief has been fully appreciated by the respectable Chinese. (Applause.)

And here I must refer with great regret to the grave irregularities which have recently been shown to exist in the Police Force and in other departments of the Government Service amongst the subordinate officers. You are aware of the action taken by the Government in this matter, and I believe that it has been guided to a proper course. I fear there can be no doubt that these irregularities have been in existence for very many years. That they have now been brought to light, and that stringent measures have been taken to put an end to them must ultimately conduce to a better state of things in the future.

As regards the public health, I can give you an exceptionally favourable report, which may, to some extent, compensate for the large amount of sanitary legislation which has of late years fallen upon us. There have been only 17 cases of plague during the year, several of which are said to have been imported from the mainland. This is very satisfactory when it is remembered that the disease was prevalent in the neighbouring ports of Amoy and Swatow, and in the island of Formosa for several months. The comparative immunity from plague enjoyed by Hongkong during 1897 may be due to the improved sanitary condition of the colony and the increased vigilance of the Sanitary Board.

The death rate of the British and foreign community for the first nine months of the year is 21.5 per thousand as compared with 23.6 for the corresponding period of 1891, whilst the death rate amongst the Chinese community for the like periods has been reduced from 26.9 per 1,000 to 18.9 per 1,000. This represents an annual saving of nearly 2,000 Chinese lives and about 17 European.

The main drainage has been, practically, completely remodelled. Thirty-six miles of sewers have been laid, not including the drains constructed in connection with the re-drainage of houses, which would nearly double those figures. I am informed that Victoria may now be regarded as one of the best drained cities east of Suez—(applause)—and that its domestic sanitation will compare favourably with that of any of the large cities in England.

Bye-laws have been made for the compulsory concreting of ground floors in dwellings, for the prevention of overcrowding, for the regulation of bake-houses, laundries, opium-smoking divans, offensive trades, and animal depots, for

the regular periodical cleansing of tenement dwellings, and for the notification of communicable diseases, and these are being quietly and steadily enforced.

The New Central Market, the slaughter-houses and adjoining cattle depots at Kennedy Town and Kowloon, which have an important bearing on the food supply of the colony, have been completed during my administration, whilst the water supply, which is of vital importance to the health of the community, has been increased to 400,000,000 gallons, and extended to the Kowloon Peninsula and to the populous villages of Shaukiwan and Aberdeen.

The most noticeable features in the history of education during my term of office have been—(1) the revision of the Grant-in-Aid Code in 1893, which added arithmetic to the subjects for which grants should be given to schools giving a purely Chinese education, elementary science in the case of schools giving a European education in the Chinese language, and a seventh standard in all classes of schools. (2) The graduating of two pupils in July, 1892, from the Chinese College of Medicine, being the first two graduates from that Institution. (3) The opening of the Belilios Public School for Girls in December, 1893, for which we have to thank the generosity of an honourable member of this Council; and (4) The limitation in November, 1895, of grants-in-aid to schools giving a European education in the English language—a measure which was induced by the very marked deficiency in this respect on the part of the Chinese community resident in this colony, and the necessity recognised from the experiences of 1894 of providing a more enlightened education. I trust that this policy will be maintained, and that a training institution, which will furnish a supply of qualified teachers and so place the means of acquiring a useful knowledge of the English language and Western ideas within the reach of the poorer classes of the Chinese community, may be provided. I consider that such expenditure will be incurred in a most important cause, and I commend to the notice of the Council the desirability of increasing the Grant-in-Aid Vote, and of continuing to substitute subsidised schools for the Government schools that still remain in existence.

As regards the attendance at the various educational establishments in the colony, I regret to say that the check experienced in 1894 on account of the plague has been more permanent in its results than was originally anticipated, and recovery has been further impeded by its recrudescence in 1896. I hope that, given favourable circumstances, the progress in this direction, which was so noticeable during the first three years of my term of office, may again make itself evident at an early date, and that education will receive that support which it so fully deserves.

The shipping returns, though not attaining to the figures of 1896, are, nevertheless, quite satisfactory. During the nine months ended on the 30th September, 7,108 vessels of European construction, aggregating nearly 9,000,000 tons register, entered and cleared at the Harbour Office. The increase of shipping under foreign flags (principally German

and Japanese) has been very noticeable, but 68 per cent. of the total tonnage, and 56 per cent. of the oceangoing tonnage alone was British. These ships carried, in and through our waters, about 51/4 million tons of cargo and bunker coal, and over a million passengers. As might be expected, junks followed the European shipping, and the figures do not come up to those for the corresponding period of last year.

There is no reason, however, for assuming that the falling off is anything but temporary, and it can in a large measure be traced to a short rice crop in the period under review, during which 430,000 tons less were reported than in the same period of 1896.

The commercial progress of the colony during the last five years is very marked. The tonnage, which is always a more or less reliable indication, has increased by 2,510,255 tons, whilst the value of the transit trade has improved to the extent of 28,933,788 Haikwan taels. No less remarkable is the development of local industries, of which, believing in the policy of independence, I have always been a warm supporter. The establishment of two large kerosene oil depôts, feather-dressing and match factories, soap, coal bricquette and rattan works, the extensions of the docks, the large sugar refineries, the rope and cement works, are standing monuments of that development, whilst the spirit of local enterprise is again evident in the recent formation of a public company for the establishment of cotton mills in Hongkong.

I am particularly gratified at this latest movement. It is nearly four years since I first made the suggestion to you in this Council and promised my co-operation so far as the acquisition of land was concerned. It is nearly two years since I repeated the suggestion and renewed my promise. I trust that whilst you have given practical effect to the former, I have not failed in my fulfilment of the latter. (Applause.)

It remains to mention one other event of great importance to the trade of this colony, viz., the opening of the West River ports to foreign trade on the 3rd June last. You will recollect that in my address to you of the 25th November, 1895, I assured you that although for a time, at least, local interests might necessarily be postponed in favour of purely Imperial interests, this question had by no means been lost sight of.

I was justified in making that statement, and it affords me much pleasure to have witnessed before my departure the accomplishment of this object. When communication has been satis-

factorily established between Hongkong and the West River ports, this colony will, doubtless, share to the fullest extent in the harvest to be reaped from those additional fields for commercial enterprise.

My relations with the Chinese community of this colony have always been of the most cordial nature. I have had no reason to change my earliest-formed impression of their industrious, peaceful, and law-abiding qualities. On the other hand, I have had every reason to adhere to my original promise that they would find in me not only a Governor but also a friend. And if on one or two occasions I have had to disguise my good intentions under the cloak of official authority, I have on such occasions endeavoured to combine firmness with consideration for their feelings and national customs. (Applause). My object has always been to promote their welfare and secure their best interests.

In proof of the sincerity of these professions, if any such proof is required, I would refer to the concessions granted during the plague epidemic of 1894 under circumstances which involved a very large degree of responsibility. I would also mention the support accorded by the Government to the Po Leung Kuk, which has enabled that charitable Society to erect a new home, which I opened in person, and to continue its beneficial work under more favourable circumstances. Great improvements have also been effected in the administration and sanitary condition of the Tung Wa Hospital, the benefits of which are already evident and are daily becoming more appreciated by the native community.

I have already referred to the modification of the Light and Pass Regulations which prove to have been an unnecessary restriction. And if any further illustration is needed of my regard for the interests of the Chinese, I would mention the additional representation on this Council recently accorded to them at my suggestion. (Applause.)

And here I desire to express my indebtedness to the Registrar General, whose knowledge of the Chinese characteristics and of the language, and whose advice in all matters relating to their interests has always been of the greatest assistance to me.

I cannot conclude my remarks without reference to that unique occasion in the annals of our national history which has recently been celebrated throughout the vast British Empire. I mean, of course, the completion of the sixtieth year of Her Majesty's beneficent reign.

It is impossible to appreciate adequately or relatively the enthusiastic expressions of loyalty, respect, and devotion towards our beloved Queen-Empress which that commemoration called forth from countless millions of British subjects throughout the world; but I venture to state that in no other corner of British territory were those expressions more spontaneous and sincere in their utterance, or more practical proof of their sincerity furnished, than in this remote colony of Hongkong. (Applause.)

Gentlemen, I am proud of the loyalty of this community; and it will always be a pleasing reminiscence of my life that I had the privilege of representing our august Sovereign in Hongkong on that occasion. I trust, gentlemen, that you will continue to co-operate with the Imperial Government for the defence and maintenance of that immense Empire, of which this colony is a small but not unimportant part.

In conclusion, I have to thank you for your very patient hearing. I have endeavoured to illustrate, in the course of my remarks, a marked progress during the last six years—financial, commercial, industrial, and social—a progress upon which the Secretary of State for the Colonies in a recent despatch was pleased to comment in favourable terms, and which the result of a comparison between the Hongkong of 1891 and the Hongkong of to-day places beyond all doubt.

I appreciate the enterprising spirit of the community which has contributed to that result, and I trust that I have not failed in the fulfilment of my desire to encourage that spirit and to promote that enterprise. (Applause.)

I thank you, gentlemen, for your co-operation in the past, and I rely on a continuance of your loyal support and valuable assistance during the remainder of my term of office. It is a source of gratification to me that I have been connected with this colony during a period of prosperity. I need hardly say that I contemplate my approaching departure with regret, and whilst I feel assured that I shall take away with me an expression of your good-will, I trust that I may also have gained, in some degree, the confidence and respect of the entire community. (Applause.)

Hon. C. P. CHATER—Sir, I need hardly say that we have one and all listened with the greatest possible pleasure to the remarks you have been pleased to make in regard to the Estimates and the financial position of the colony, and after those remarks have been digested by my unofficial colleagues they will, if necessary, be commented upon as opportunity offers.

#### COMMITTEES.

His Excellency then named the Committees for the ensuing year.

#### FIRST READING OF BILLS.

The following Bills were read a first time:—

A Bill entitled An Ordinance to apply a sum of not exceeding two millions three hundred and forty-three thousand seven hundred and thirty dollars to the Public Service of the year 1898.

A Bill entitled An Ordinance to amend the Chinese Extradition Ordinance, 1889.

A Bill entitled An Ordinance to consolidate and amend the laws relating to the construction of Ordinances, to further shorten the language used in Ordinances, and for other like purposes.

A Bill entitled An Ordinance to further amend the Waterworks Ordinance, 1890.

A Bill entitled An Ordinance for the naturalization of U Hoi Chau alias U Chiu Tsun.

A Bill entitled An Ordinance to amend the Closed Houses and Insanitary Dwellings Ordinance, 1894.

A Bill entitled An Ordinance to amend the law relating to vagrants.

THE KOWLOON TRAMWAYS ORDINANCE.

Hon. J. J. BELL-IRVING—Sir, I have the honour to move the second reading of the bill entitled An Ordinance to authorise the Hongkong and Kowloon Wharf and Godown Company, Limited, to lay and maintain Tramways on certain public roads at Kowloon, in the colony of Hongkong, and to confer upon the said Hongkong and Kowloon Wharf and Godown Company, Limited, certain other rights, powers, and privileges. I think, sir, it is not necessary for me to say more than that the objects of this Bill are to facilitate the more rapid discharge of vessels making use of the wharves at Kowloon and also to effect some economy in the working expenses of the Hongkong and Kowloon Wharf and Godown Company, Limited, the shares of which public company are largely held by European and Chinese residents in this colony. I understand that the former Director of Public Works offered no objection to rails

being laid on the public roads adjoining the wharves, and you will observe, sir, on reference to the Bill, that in the event of the rails being in any way a nuisance the Government reserves to itself the right of having them removed.

Hon. C. P. CHATER seconded.

Bill read a second time.

Council went into Committee on the Bill.

Bill passed through Committee, read a third time, and passed.

ADJOURNMENT.

The Council then adjourned until next Monday.

FINANCE COMMITTEE.

A meeting of the Finance Committee was then held. Hon. J. H. Stewart Lockhart (Colonial Secretary) presided and all the members were present.

VOTES RECOMMENDED.

The following votes were recommended without discussion:—

\$3,000 in aid of the vote "Expenses for Volunteers."

The following sums to meet certain expenses in the Police Department:—For Clothing and Accoutrements, \$4,500; for Bedding, Mess Utensils, &c., \$750; for Incidental Expenses, \$1,400; for Conveyance of Police Pensioners, &c., \$1,000; for Secret Service, \$400. Total, \$8,050.

\$98,892.28, being the Government contribution towards the Jubilee Fund.

ADJOURNMENT.

The Committee then adjourned.