

6TH FEBRUARY, 1908.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, SIR
FREDERICK JOHN DEALTRY LUGARD,
K.C.M.G., C.B., D.S.O.

HON. MR. F. H. MAY, C.M.G. (Colonial
Secretary).

HON. MR. A. M. THOMSON (Colonial
Treasurer).

HON. MR. W. REES DAVIES (Attorney-
General).

HON. MR. W. CHATHAM, C.M.G. (Director of
Public Works).

HON. MR. A. W. BREWIN (Registrar-
General).

HON. COMMANDER BASIL R. H. TAYLOR,
R.N. (Harbour Master).

HON. DR. HO KAI, M.B., C.M., C.M.G.

HON. MR. H. E. POLLOCK, K.C.

HON. MR. E. A. HEWETT.

HON. MR. H. KESWICK.

HON. MR. WEI YUK.

HON. MR. E. OSBORNE.

MR. A. G. M. FLETCHER (Clerk of
Councils).

Minutes.

The minutes of the previous meeting were
read, and confirmed.

Portugal's Calamity.

HIS EXCELLENCY—Gentlemen, Before we proceed with the business of the day I rise to propose the following resolution:—"That the Legislative Council of Hongkong, on behalf of the community, records its abhorrence of the crime committed upon the persons of the late King and Crown Prince of Portugal, and expresses heartfelt sympathy with Her Majesty the Queen of Portugal in her bereavement, and with the Portuguese nation in their calamity." There is little for me to add to the words of this resolution which, I think, expresses the feelings of us all. Portugal has been our ancient ally before and since the days of the Peninsular war, and our sovereigns have been associated in terms of friendship and intimacy. Quite recently, we know, the King of Portugal was a welcome visitor in London. The friendship which exists between the two parent states is reflected in our relations

with Macao, the nearest European Colony to Hongkong. We have also a large number of Portuguese residents in our Colony, who form perhaps the most stable part of the population. In these circumstances I think hon. members will agree with me that this resolution expresses our most sincere feelings, and I am glad of the opportunity of expressing our sympathy with the Portuguese people and the Portuguese Crown in their present calamity, and to express also our hearty detestation of the abominable crime which has robbed the country of its King and the Heir Apparent.

HON. DR. HO KAI—Sir, Most respectfully and sympathisingly do I second the resolution just proposed by your Excellency. The dastardly and cruel deed has excited feelings of intense horror and abhorrence throughout the civilised world, and I am sure that every honourable member of this Council, and every person in this cosmopolitan community of Hongkong, is desirous of expressing the profoundest sympathy with Their Majesties the Queen Regent and the King, and the great Portuguese nation in their sorrow and bereavement.

The motion was carried unanimously.

Financial Minutes.

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table Financial Minutes Nos. 3 to 5, and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and the motion was agreed to.

Finance.

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table the report of the Finance Committee (No. 1) and moved its adoption.

THE COLONIAL TREASURER seconded, and the motion was agreed to.

Additional Cattle Bye-law.

THE COLONIAL SECRETARY—Sir, I beg to move the approval by this honourable Council of

an additional Bye-law made under Section 16 of the Public Health and Buildings Ordinance. This Bye-law, which is very short, explains itself, and requires no further explanation from me.

THE DIRECTOR OF PUBLIC WORKS seconded, and the motion was agreed to.

The Bye-law read as follows:—

"The drenching of any animal with any substance whatever in a Government Depot, except with the permission of the Colonial Veterinary Surgeon or of the Inspector on duty, is prohibited."

Kowloon-Canton Railway.

HON. MR. OSBORNE, pursuant to notice asked—Will the Government cause to be published a report concerning the Canton-Kowloon Railway (British Section) covering the period from the inception of the scheme to 31st December, 1907, giving the original and amended estimates of cost, and such other details of finance, route, control, etc., as may with propriety be made public?

THE COLONIAL SECRETARY replied:—

FINANCE.—The cash for payment of construction of the Railway is being obtained by advances from the Special Fund for repayment of the last loan according as the annual instalments of £110,000 repayable by the Viceroy at Wuchang are received. When these amounts are insufficient temporarily to meet expenditure advances are obtained from other funds in the custody of the Crown Agents whether belonging to this, or any other Colony. These advances will of course be temporarily recouped after the completion of the Railway by the further receipts from the Viceroy. Interest is payable on such advances hitherto at the rate of £3 13s. per cent. out of the general revenue of the Colony; but they will be payable out of the receipts of the railway when it is in working order.

CONTROL.—A detailed estimate having been prepared and sanctioned by the Colonial Government, the local control of the work is within the estimate vested in a resident engineer selected by the consulting engineers and serving—under a g r e e m e n t f o r a f i x e d

period—for all purposes of discipline and accounts as the servant of the Colonial Government. For instructions bearing on the technical nature of his work he consults the consulting engineers under whom he is responsible for its efficient and economical execution. In all other matters, including any variations in the cost of the work or any portion of it, he must consult the wishes and obtain the sanction of the Colonial Government. With regard to the rate of progress I had hoped to lay before the Council a report from the chief resident engineer prepared by your Excellency's direction, but it did not reach the printers in time, and I hope to later lay it before the Council.

His EXCELLENCY—I propose to make a further statement in reply to the question which stands in the name of the hon. member at the end of the table (Hon. Mr. E. Osborne). When the resolution regarding the expenditure for the current year on the railway was before the Council, the Colonial Secretary proposed that it should be referred to the Finance Committee. This course was adopted purposely, in order to give hon. members every opportunity possible for asking for whatever information they required, and also to enable the Government to ascertain in what direction information was required with a view to providing it as fully as possible. My hon. friend on the left (Hon. Colonial Secretary) assured hon. members that I should be most willing to give every information in my power. I may go further and say I welcome this opportunity, since one has not recently arisen, to make as full a statement as possible on the subject of the railway project to which we stand committed. A certain amount of information on the question asked by the hon. member is contained in the paper which has been placed before you. He desired information both as to the control, finance, and route of the railway, and also as regards its history, and I will endeavour as fully as I am able to do so, to give the information on each of these heads.

You will recollect that in 1905 it was decided to build the railway by means of a loan. It was not a question of whether the undertaking would be an immediately remunerative concern; it was not a question of whether the railway would pay interest and sinking fund on the capital expended, or even if

it would at once pay working expenses. It was a question of preserving the predominance of Hongkong. It was a question of seeing that the final outlet of the main trunk railway of China should be at Kowloon, and at no other place. I think, therefore, it was with the consent of the whole community that the decision was arrived at, a decision with which I personally most heartily concur. The first step to take was to make a preliminary survey, and to base upon it a preliminary estimate. The task was entrusted to an able engineer, Mr. Bruce, and I think we can say it was well done. Those of you who have any personal experience in railway construction know, however, that it is not practicable to expect that a preliminary survey shall be accurate in all its details, nor is it practicable to expect that there shall be no alterations found necessary in the alignment first laid down when it comes to be examined in detail by the constructing engineers. The estimate made by Mr. Bruce amounted to \$4,470,500 to which had to be added the estimate of the hon. the Director of Public Works for the reclamation section which amounted to \$585,000, making a total of \$5,055,500. This estimate included certain land resumptions and station buildings, but it did not include any provision for telegraphs, and fencing, and it apparently included no provision for storage godowns also. There had moreover to be added subsequently provision for double bridges. This was undertaken in consequence of a clause in the first loan agreement, and I think that the same is being done on the Canton section. The iron work is for a single line only. It may appear to many hon. members that if any anticipations were formed of the line being eventually doubled in any section, those anticipations would especially apply to the tunnel, since it would be impossible to broaden it once the lining had been completed. I am assured by the Chief Resident Engineer that two parallel single line tunnels only cost some 25 per cent. more than one single double tunnel owing to the space wasted by the height of the arch and the consequent amount of excavation involved. And he tells me also that even were the line double throughout with the sole exception of the tunnel it would cause little block or delay if a signal station were at each end.

To return to the history of the railway, The Secretary of State for the Colonies

decided that it should be constructed on what is known as the Departmental System, through the medium of the Crown Agents. This is not the time or place for me to criticise that system. The Government which adopts it claims that it saves contractors' profits; that alterations which further examination of the country, or enlarged or altered views, may render necessary, can at any time be made without the liability to contractors which would be incurred if the contract had already been signed. It gives more direct supervision to the Government, and gives it more discretion as to change. These, gentlemen, are great advantages. The system as adopted in practice has also, however, weak points, the chief of which in my opinion is that the local Government is not in sufficiently close touch with the consulting engineers and does not correspond directly with them.

The Chief Resident Engineer arrived in March, 1906. My predecessor, in his great anxiety to push forward with the utmost possible despatch, resumed lands in the neighbourhood of Taipo and instructed the Colonial Public Works Department to begin work at once in November, 1905. The Chief Resident Engineer on arrival, after making a detailed survey, decided to run the line from the neighbourhood of Shatin to Taipo somewhat more inland than had been arranged in Mr. Bruce's survey. The former line had run in that neighbourhood almost completely over the sea bed, which involved very costly bridges and some danger from heavy seas. The new alignment was very carefully set out in order to endeavour to balance the amount of cutting with the amount of earth required for reclamation. He also decided to make a tunnel through a small hill near Taipo instead of going round it, and he succeeded in finding a way of avoiding a dangerous place at which the maximum gradient and limiting curve were simultaneously attained at a point overhanging a river. It was an undeniable improvement, for the line was at the same time shortened. These alterations, especially the latter one, unfortunately involved the abandonment of a considerable portion of the work that the Public Works Department had been ordered to do. New land had to be resumed, and what had been resumed must be re-sold. A small loss was incurred which will form a debit in the new estimate, but I think probably the railway bank no longer required will be used for the formation of a road. There were

some other minor alterations in order to avoid some costly resumption of land, or to facilitate the bridging of roads. Several roads had to be altered, especially the Taipo Road, Gascoigne Road and Des Voeux Road.

In June, 1907, the Chief Resident Engineer presented his estimate which amounted to \$8,000,052, or an increase of \$2,948,142. The statement which will be laid later shows the increases under each head, but I propose with your permission to endeavour to give you a clearer grasp of the general reasons of the increases in the estimates than can be obtained from a mere table of figures. In the first place, under "Earthwork," the Chief Resident Engineer states that the former estimate was hardly half sufficient, but it is very difficult to know exactly what rates Mr. Bruce had calculated at, because no drawings or calculations of quantities and rates were supplied with the estimates. The Chief Resident Engineer says he has, since his arrival here, considerably reduced the rates which he found were being paid for earth work when he arrived in the Colony. In spite of that reduction, however, he says he is quite confident that Mr. Bruce's line could not have been made for the full extent of the present estimate. In the same way, as regards bridges, these were similarly under estimated, and too little was charged for supervision. The alterations which I have described in the alignment of the railway, I am assured, involve no extra cost whatever, and the Chief Resident Engineer says he is perfectly certain that the Consulting Engineers will bear him out in this statement. The abandonment of the bank made by the Public Works Department involves a small extra debit which has to be borne in the new estimate, which contains, moreover, several items altogether omitted in the former, such as fencing, telegraphs and storage, altogether amounting, I think, in the new estimate, to \$111,573, and also the cost of doubling the bridges and cuttings. Mr. Bruce's estimate had, as I said, made some provision for station buildings, but the present estimate does not make provision for station buildings. It includes, however, platforms and several more miles of sidings than were allowed for in the original estimate.

The estimate of the Director of Public Works for reclamation work remains about what it was. The quantities are practically

the same although the reclamation estimated for by the Director of Public Works only extended as far as the storm water drain. It is now being extended to meet Blackhead's Wharf, but the extra cost involved by this extension has been met by narrowing the area reclaimed, that is to say, by drawing the line a little nearer to the shore. Both the cost of this reclamation and of the sea wall which faces it, and also the cost of the alteration of the drains are included under "earth work." The small piece of additional seawall, from the point at which the original wall ceased, to Black-head's Wharf, involves an extra cost of \$110,000, which will have to be added to the existing estimate of \$8,000,052. I may say with regard to this bit of seawall that it was not included in the estimate because it was still under discussion whether the line should be drawn direct, involving the construction of a deep seawall costing about \$750,000, or whether we should set it back 150 feet, thereby reducing the cost to \$110,000. That matter has now been decided.

There remain several items not included in either estimate. In connection with the terminus, and in order to obtain a deep sea berth for large vessels, it was necessary to acquire Marine Lots 218, 81 and 34 from Messrs. Blackhead. Protracted negotiations with the owners eventually resulted in their purchase for \$615,000. The negotiations were in the hands of my hon. friend on the left (the Director of Public Works), and I think we can congratulate him on a successful issue. His original estimate was \$612,000. This sum, together with the \$110,000 for the seawall, are the only additions so far decided upon to the existing estimate, and bring it up to \$8,722,052. To that sum must be added the cost of rolling stock not included in either estimate; that is estimated at \$480,000,

Hon. members will, I am sure, believe that I am most anxious to give the fullest possible information on all points, but the interests of the railway and of the Colony compel me to speak with reserve on those matters which are still under discussion, and are the subject of negotiation as regards land resumption, or may be the subject of negotiation as regards a working agreement with China. You are asked in the resolution before the Council to vote a sum of \$300,000 for land resumption, and another \$50,000 towards buildings for the terminal station. This matter is now being discussed, and it is impossible for me to speak as

fully and frankly as I should wish to do in the present circumstances, but no decision will be taken without full consultation with the Consulting Engineers and the concurrence of the Secretary of State. As regards the question of station buildings, they are to some extent dependent upon the terms of the working agreement. You were also asked in the resolution to vote a sum of \$300,000 for land and \$30,000 as an instalment towards building and equipment for the workshops. I propose to erase those figures from the resolution, because I think it is extremely improbable that there will be any expenditure with regard to workshops in the present year. In the whole question of the cost of the railway I shall use my utmost endeavours to insure economy in every detail, but at the same time I am sure I would not be carrying out your wishes if I confined myself to a short-sighted policy. I do not think it would be in the interests of the railway, and might very seriously in the future detract from the remunerative capacity of the line. You must remember, gentlemen, that this line will be the terminal section of the main line from Peking to Kowloon, some 1,500 miles long, and in these matters of station terminus, workshops and facilities for shipping, wharfage, etc., any inability to realise the future of the line might be disastrous for the future interests of this Colony.

We arrive then at the following figures: the present cost, including the sanctioned estimate of \$8,000,052, and including the amount for rolling stock and the amount for seawall, amounts to \$9,205,052. It is impossible, as I said, to say what amount may be required for station buildings and land, but I think that if we put the total at somewhere in the neighbourhood of \$9,850,000, that should see our total liabilities in respect of the line exclusive of workshops. Out of the sanctioned estimate of \$8,000,052 we have spent a total of \$2,894,682. The papers which have been laid, and which will be supplied, will show you in detail the work which has been accomplished, but I think it may be interesting if I briefly run through the work of the past year. In the matter of "Survey" the whole has been completed and there is a permanent saving of \$1,587. In the question of "Land" all r e s u m p t i o n o u t s i d e K o w l o o n

has been finished with the exception of a small piece at Shatin Valley. The expenditure for the year shows an increase of \$32,816, over the estimate, but that, of course, is not necessarily a permanent increase in the whole estimates. "Earthwork" was \$177,030 under the estimate. The reason for this is that the very difficult piece of survey between Shatin and Taipo of which I spoke just now (where the line was moved inland instead of running over the sea bed) delayed the earthwork in that section, and it has been carried over to the present year. It seemed unnecessary to pay higher rates in order to insure the work being done last year, for in this section there is no hurry at all, since it will be completed in any case long before the tunnel is completed; therefore we will save any additional rates by carrying it to the present year. The amounts you are asked to vote in 1908 will complete the earthwork with the exception of the big reclamation for the station yard, and of two banks in the neighbourhood of Taipo and Shatin. The "Tunnel" exceeded the estimate for last year by \$198,977. The Chief Resident Engineer explains this, firstly, because labour was more costly than had been anticipated, and secondly, a much larger quantity of explosives had been used than was expected. The reason for this is that in the first thousand yards from each face of the tunnel the material had been found to be semi-decomposed granite for which explosives are almost useless, yet it is too hard to be removed by pick and shovel. Thence towards the centre the rock become exceedingly hard. This latter fact may not improbably be productive of considerable saving in lining the tunnel. The expenditure on the tunnel in the first year is of course exceedingly large, because there is included in it the whole cost of starting the machinery, and also of depositing a considerable quantity of materials at the mouth of the tunnel. In 1907, 2,242 feet out of 7,156 feet of the heading had been completed, and 465 feet of the lining, which gives an average of the heading of about 43 feet a week. Since that date (1st January), we have been making very good progress and on the 25th January the figures stood: 2,591 feet of heading, and 585 feet of lining, and on some occasions up to 100 feet have been done in a week. On the whole the progress in the tunnel was not very satisfactory.

The Chief Resident Engineer gives as his reason the unforeseen difficulties which the engineers encountered, over which they had no control; and secondly, the delay in supplying machinery from England, some of which did not arrive until over twelve months after order. "Bridges" show a saving of \$269,230, "culverts" of \$22,009 and "ballast" of \$82,505. The saving on all these three items is referable to the same cause as that on earthworks, as I explained just now, and is due to the fact that work had been thrown back in consequence of the Taipo survey, and as time in this section was not important the work has been carried over to the present year. "Permanent Way and Plant" showed an increase of \$283,309. The reason for this was that it had been intended to use a metre gauge temporary line for removing earthwork for the reclamation, but as the whole of this would have to be "scrapped" as soon as the reclamation was completed, it was thought better to use the broad gauge line, and consequently the rails and rolling stock purchased for that work will now remain part of the permanent equipment of the line. "Salaries, and Quarters" increased \$53,096. This arose because an increase was found necessary in the staff, and was also due to an outbreak of malaria last summer which caused the doctors to advise that the staff quarters be built on the hills. The outbreak of malaria led to an abortive effort to train the hillside torrents which cost \$12,000. That now has been stopped, and in its place a regular issue of quinine has proved more effective. This has contributed to increase the "Medical" vote by \$5,759. "Home Charges" have increased \$7,850, and "stores" decreased by \$5,000. To "Typhoon Damages" is debited the large sum of \$16,527. This was due to the typhoon of September, 1906, and was not in the estimated expenditure of the year. The sum of \$17,000 approximately is due to the same cause this year, about half of which arose from damages caused by a heavy rain storm in September last year and half to a fire at Taikoktsui. These charges properly come out of the 10 per cent. allowed for contingencies, and I have directed the Chief Resident Engineer to debit them to the works concerned. As a net result the expenditure last year only exceeded the estimate by \$18,854.

These figures refer to the work of 1907 only. You will wish to know what conclusion they point to, and what anticipations can be formed of the final accuracy of the estimates. The Chief Resident Engineer is confident that his estimates will not be exceeded. On earthworks he anticipates a saving of \$250,000, on the big tunnel an excess of \$300,000, and on the other tunnels no excess. On the major bridges he hopes for \$50,000 and on the minor \$50,000 below his estimates. He expects a small excess on general charges, but it will be met by savings on other items. The next question you would probably like to have answered is: About what time will the railway be completed. If the average rate of construction hitherto maintained can be kept up the tunnel heading will be completed in November, 1909, and the line should be completed by May, 1910. We do approximately about one-third of the tunnel a year. The heavy cutting and reclamation on this side has been let by contract, but not much progress so far has been made. The standing of the firm of contractors who have taken that contract, however, gives us every hope that they will not fail us as regards the limit of time for completion. Generally speaking I think we are justified in assuming that the work in being economically done, and that we shall complete it in ample time to join the Canton section by the time it is completed. And I believe that the total cost will not exceed £1,000,000 sterling. You must remember, however, that sum only includes the cost of the private land resumed for the railway, and does not include the cost of the Crown land assigned for railway purposes.

In the course of my remarks I have alluded once or twice to the difficulties placed in my way by the fact that the basis of a joint working agreement with the Chinese section has not yet been arrived at. I am anxious to begin negotiations in this matter, but you must remember that the survey of the Canton section has only just been completed, and it will probably be a couple of months before the first sod is turned. The Chinese authorities have several preliminary questions to settle with regard to the administration of the line and local control, and until these questions have been settled they are not in a position to enter into negotiations. I trust they may be able to do so before the end of this year.

I have explained now, to the best of my ability,

the history of the line and the stage of construction to which we have reached. I have gone fully into the liabilities which we have incurred, and perhaps it may be of interest if I make a few remarks as to the means we intend to employ to meet those liabilities. You will remember that in the Autumn of 1905, the Government raised a loan through the Crown Agents for £1,143,933 at £3 13s. per cent. in order to pay a loan of £1,100,000 at 4½ per cent. to the Viceroy of Wuchang. This was repayable in ten years by yearly instalments of £110,000 with interest, of which we have received two, and the third is due in October next. As they have been received they have been used to finance the railway, but it is obvious from what I have said that the cost of the line will much exceed the amount of these repayments before its completion. We shall consequently have to borrow from the Crown Agents and repay later from the repayments we receive from the Viccroy. We provided in the estimates for the current year a sum of £4,670, as interest on this balance which would mean a capital sum of about £120,000 if it were borrowed for a complete year, but as we shall not require to borrow until probably late in the year the interest provided in the estimate will really cover a very much larger sum than that I have named. We are also paying interest on sums advanced to the railway, that is to say, £220,000 at £3 13s. per cent. The interest paid to that account amounts to £8,030 giving a total of £12,700 provided in the estimates for the current year as our total liability in respect to the interest for railway loans. We shall have spent at the end of the current year, if we do not exceed the estimate contained in the resolution before the Council, the total sum of \$6,834,461. I trust, gentlemen, that I have left no point untouched on which I could usefully give information, but if any further information is required on any point it may be raised when the resolution is referred back to the Finance Committee (applause).

New Law Courts and Post Office.

HON. MR. OSBORNE asked the following question:—Will the Government state whether the contractors for the Law Courts and Post Office are free to push on with the work as they please; or are they instructed

to keep within the limit of expenditure voted in the Estimates?

THE DIRECTOR OF PUBLIC WORKS replied:—No restraint is placed upon the contractors for the buildings mentioned with the object of limiting the expenditure on them to the amounts voted in the Estimates. In 1904 supplementary votes were obtained to cover excess expenditure on the Law Courts and Post Office, and since that year there have been large unexpended balances annually on the amounts voted for these works.

Land Occupied by Government Contractor.

HON. MR. OSBORNE also asked:—Will the Government state:

- (a.) The terms of Sang Lee's tenancy of the ground used as a builder's yard adjoining the statue of His Majesty the King?
- (b.) Is this yard used in connection with work on public buildings?
- (c.) Will the Government cause this land to be laid out as a public garden as soon as Sang Lee's occupation of it can be determined?

THE DIRECTOR OF PUBLIC WORKS replied:

- (a). The terms are:—
 - (i). Payment of rent at the rate of 2 cents per square foot per annum, or \$871.20 per acre, quarterly, in advance.
 - (ii). Certain stipulations as to matsheds or other structures which might be required by the contractor.
 - (iii). Restriction of occupation to watchmen only.
 - (iv). No portion of the ground to be used for any other purpose than the storage or preparation of material for the Post Office, unless the consent of the Director of Public Works be previously obtained.
 - (v). No portion of the ground to be sublet on any account.
 - (vi). The whole or any portion of the ground to be given up at any time on receipt of three months' notice.
- (b). Answered in (iv) of the above.
- (c). It is proposed to obtain the sanction of the Secretary of State to lay out as a garden a piece of ground corresponding in area to the garden of the Hongkong Bank opposite to it.

Enforcing Judgments out of the Jurisdiction.

HON. MR. POLLOCK asked:—Will the Government lay upon the table all the papers connected with the proposals which have been made with a view to improve the system of enforcing judgments of the Supreme Court of this Colony in China and Macao?

THE COLONIAL SECRETARY replied; The correspondence touching as it does relations with two Foreign Governments is for the most part confidential and cannot therefore be published. If, however, the honourable member takes a personal interest in the questions referred to, he is at liberty to peruse the material portions of the correspondence in the office of the Colonial Secretary.

HON. MR. POLLOCK—I don't think the hon. Colonial Secretary's answer quite deals with my question. I understand that certain proposals have been made amongst others by the Chief Justice of this Colony with reference to this question, and I don't see why these proposals should not be laid on the table.

THE COLONIAL TREASURER—Really, the Government's answer to the Question is "no."

His EXCELLENCY—The answer given by the hon. Colonial Secretary I think is a complete answer to the hon. member's question.

HON. MR. POLLOCK—I think not, Sir, I don't think a foreign Government's proposal—

THE COLONIAL SECRETARY—The hon. member is trespassing beyond the limits. Surely he must understand that no matter from what part it emanates it involves correspondence, and the question touching as it does the relations with a foreign government, is such that it cannot possibly be made public.

HON. MR. POLLOCK—Do I understand that that the Government regards it as confidential?

His EXCELLENCY—I cannot allow any further debate on the subject.

HON. MR. POLLOCK—I think the hon. Colonial Secretary's answer is not a satisfactory one to my question.

THE COLONIAL TREASURER—Then move a resolution.

HON. MR. POLLOCK—I submit the Colonial Treasurer is not in order to make that observation.

Chinese Emigration Ordinance.

THE ATTORNEY -GENERAL—Sir, I rise to move the second reading of the Bill entitled An Ordinance to amend the Chinese Emigration Ordinance, 1889. The Bill is designed to remove certain restrictions at present imposed upon *bona fide* free emigrants, and to safeguard the interests of assisted emigrants as distinguished from indentured emigrants. Under the existing law the various classes of emigrants are accorded *like treatment*, and it has been found in practice that the regulations required to make effective the control of contract labour are in the case of the free passengers unnecessary and vexatious. The Bill proposes therefore to safeguard the interests of assisted emigrants and relieves free emigrants from certain provisions as to residence in boarding houses. The Bill also empowers (Clause 3) ships specially licensed for the South African coolie traffic under the existing ordinance to proceed *on its return* direct to their port of discharge in the North instead of calling at Hongkong as is at present necessary. It is proposed to amend the definition of "assisted emigrant" in the Bill. The definition as it stands applies to men who have entered into a contract to labour for hire prior to embarkation. The existing Ordinance already provides for contract emigrants and the definition may be construed as *conflicting* with that portion of the principal Ordinance as relates to contract emigration. The main object of the Bill is to amend the law relating to free emigrants, and it is proposed to amend the definition so that a *contract* to labour for hire will not be an essential condition.

THE COLONIAL SECRETARY seconded.

Council then resolved itself into a committee of the whole Council to consider the Bill clause by clause.

HON. MR. POLLOCK spoke as to some minor

alteration he thought necessary.

THE COLONIAL TREASURER — This drafting and wording of sections is not worth troubling the committee of the Council with. It ought to be referred to the Law Committee, and I think the hon. member should have seen that corrected before he came here.

HON. MR. POLLOCK—I think the language of the Colonial Treasurer is most impertinent and most unparliamentary.

THE COLONIAL TREASURER—It is quite pertinent. This point was raised quite regularly, and I am answering it.

On Council resuming THE ATTORNEY -GENERAL reported that the Bill had passed through committee with slight amendments, and it was read a second time.

The Statutes Ordinance.

THE ATTORNEY -GENERAL moved the second reading of the Bill entitled An Ordinance to facilitate the admission in evidence of statutes passed by the Legislatures of British possessions and British protectorates, including Cyprus. In doing so he said—I may say that the Government introduced this Bill on the suggestion of my hon. and learned friend on my left. The object of the Bill is stated in the "Objects and Reasons," and I can add nothing to them. It is to facilitate in the Courts here the admission of proof of the statute law of other British possessions.

THE COLONIAL SECRETARY seconded.

Council then went into committee on the Bill, and considered it clause by clause.

On resuming, THE ATTORNEY -GENERAL reported that it had passed through the committee stages with slight amendment, and it was read a second time.

THE ATTORNEY -GENERAL then moved the third reading of the Bill.

THE COLONIAL SECRETARY seconded and the Bill was read a third time, passed, and became law.

Fire Insurance Companies Ordinance.

THE ATTORNEY -GENERAL—Sir, I rise to move the second reading of the Bill entitled An Ordinance to authorise the removal of Fire Insurance Companies from the Register of Companies in certain cases. The object of the Bill, Sir, is to give the Governor-in-council power to strike off the register of Companies any fire insurance company proved to his satisfaction to be so unsound as to be virtually fraudulent. The matter has received the consideration of the Government, and also the Chamber of Commerce, who are agreeable to the proposal.

THE COLONIAL SECRETARY seconded.

Council then went into committee on the Bill and considered it clause by clause.

HON. MR. OSBORNE—Am I in order if I ask why life insurance companies have been taken out of this Bill? They were in when the Ordinance was drafted.

HIS EXCELLENCY—They are included in a different bill.

HON. MR. OSBORNE — Originally the Ordinance included fire and life insurance companies.

THE COLONIAL SECRETARY—I think the hon. member is thinking of fire and marine.

THE COLONIAL TREASURER—The word "marine" was dropped before the first reading.

On Council resuming THE ATTORNEY - GENERAL reported that the Bill had passed through committee with minor alteration, and it was read a second time.

THE ATTORNEY -GENERAL then moved the third reading of the Bill.

THE COLONIAL SECRETARY seconded,

and the Bill was read a third time, and passed.

HIS EXCELLENCY — Council will now adjourn until Thursday week.

FINANCE COMMITTEE.

A meeting of the Finance Committee was then held, the COLONIAL SECRETARY presiding.

Public Works Extraordinary.

THE GOVERNOR recommended the Council to re-vote a sum of Seven thousand, one hundred and sixty-one dollars (\$7,161) in aid of the vote, Public Works Extraordinary, for the following items:—

Hot Water Apparatus and Baths, Government House	\$406
Queen's College Latrines and Urinals.....	810
Resuming and filling in Fish Pond at Tai Po.....	5,900
Time Ball Tower on Blackhead's Hill, Kowloon	45
Total,.....	7,161

THE GOVERNOR recommended the council to vote a sum of Nine thousand, three hundred and thirty-four Dollars (\$9,334) in aid of the vote, Public Works Extraordinary, Refund of part of Premium for the Pier opposite M. L. 198.

Education.

THE GOVERNOR recommended the Council to vote a sum of Seven hundred and twenty Dollars (\$720) in aid of the vote, Education, Victoria British School, Personal Emoluments, Head Master, House Allowance.

The votes were passed.

