

19TH OCTOBER, 1911.

PRESENT:—

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

HON. MR. W. D. BARNES (Colonial
Secretary).

HON. MR. C. G. ALABASTER (Attorney-
General).

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

HON. MR. A. W. BREWIN, C.M.G.
(Registrar-General).

HON. CAPTAIN F. W. LYONS (Captain-
Superintendent of Police).

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

HON. MR. WEI YUK, C.M.G.

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

HON. MR. E. A. HEWETT.

HON. MR. C. H. ROSS.

HON. MR. C. MONTAGUE EDE.

MR. C. CLEMENTI (Clerk of Councils).

Minutes

The minutes of the previous meeting were
read and approved.

Financial Minutes

THE COLONIAL SECRETARY, by
command of His Excellency the Governor,
laid on the table Financial Minutes No. 57 to
80, and moved that they be referred to the
Finance Committee.

THE ATTORNEY-GENERAL seconded,
and the motion was agreed to.

Financial

THE COLONIAL SECRETARY, by
command of His Excellency the Governor,
laid on the table the report of the Finance
Committee (No. 16), and moved its adoption.

THE ATTORNEY-GENERAL seconded,
and the motion was agreed to.

Standing Committees

HIS EXCELLENCY — Gentlemen, — In
accordance with Standing Order No. 47, I
have to appoint the following Standing
Committees for the ensuing year:—

Finance Committee:—His Excellency the
General Officer Commanding, the Hon. the
Colonial Secretary (Chairman), the Hon. the
Attorney-General, the Hon. the Colonial
Treasurer, the Hon. the Director of Public
Works, the Hon. the Registrar-General, the
Hon. the Captain Superintendent of Police,
the Hon. Dr. Ho Kai, C.M.G., the Hon. Mr.
Wei Yuk, C.M.G., the Hon. Mr. H. E. Pollock,
K.C., the Hon. Mr. E. A. Hewett, the Hon. Mr.
C. H. Ross, the Hon. Mr. C. Montague Ede
(*vice* Mr. E. Osborne).

Public Works Committee:—The Hon. the
Colonial Treasurer, the Hon. the Director of
Public Works (Chairman), the Hon. Mr. Wei
Yuk, C.M.G., the Hon. Mr. C. H. Ross, the
Hon. Mr. C. M. Ede.

Law Committee:—The Hon. the Attorney-
General (Chairman), the Hon. the Registrar-
General, the Hon. Dr. Ho Kai, C.M.G., the
Hon. Mr. H. E. Pollock, K.C., the Hon. Mr. E.
A. Hewett.

Public Works Committee's Report

THE DIRECTOR OF PUBLIC WORKS laid on the table the Report of the Public Works Committee, No. 3.

Special Committee's Report on Registered Partnerships

THE ATTORNEY-GENERAL laid on the table the Report of the Special Committee on the Registered Partnerships Bill.

Papers

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table the following papers: Sessional paper No. 14, being an abstract showing the difference between the estimates of expenditure and revenue for the years 1911 and 1912; Sessional paper No. 16, being a financial statement in connection with the estimates for 1912 and the draft estimates for 1912.

Questions by Mr. Pollock

HON. MR. POLLOCK, pursuant to notice, asked the following questions:—

(1) Has the Government received any, and, if so, what reply from the Right Honourable the Secretary of State for the Colonies to the unanimous request of the Unofficial Members, made in this Council on the 1st of June last, that the Military Contribution be fixed at the annual sum of one million dollars?

(2) Will the Government lay upon the table the correspondence which has passed between the Government and the Secretary of State and *vice versa* in connection with the aforesaid request?

(3) Can the Government give the Council any further information with reference to the establishment of a wireless telegraph station in this Colony?

(4) When will the detailed returns of the Census, which was taken in May, be published?

THE COLONIAL SECRETARY —
Replied as follows:—

(1) The answer is in the negative.

(2) The permission of the Secretary of State to publish this correspondence has been requested.

(3) His Excellency the Governor has only to-day received a reply from the Chamber of Commerce to a number of questions on this subject which were asked with a view to obtaining certain definite information. His Excellency is also still in correspondence with the Secretary of State for the Colonies on the matter, the correspondence being, as the Council will recognise, necessarily of a confidential nature. His Excellency has, however, reason to hope that the issue will be satisfactory.

(4) The complete census report will be laid before Council early in November. The census officer reports that it is now ready with the exception of certain totals of Occupation and Birthplace.

THE ESTIMATES.

THE COLONIAL SECRETARY moved the first reading of a Bill entitled, "An Ordinance to apply a sum not exceeding Five million eight hundred and ninety-nine thousand seven hundred and seventy-one Dollars to the Public Service of the year 1912."

The Bill provided for the appropriation of the sum as follows:—

Expenditure

Governor	\$ 86,658
Colonial Secretary's Department and Legislature	82,436
Colonial Secretary's Special Expenditure	200
Registrar-General's Department	46,256
Audit Department	30,817
Treasury	63,770
Harbour Master's Department	217,904
Harbour Master's Special Expenditure	175
Observatory.....	22,364
Observatory Special Expenditure....	257
Miscellaneous Services	202,221
Judicial and Legal Departments	259,156
Judicial and Legal Special Expenditure	1,240
Police and Prison Departments	747,799
Police and Prison Special Expenditure	13,915
Medical Departments.....	237,595
Sanitary Department,	341,096
Sanitary Department, Special Expenditure	1,000
Botanical and Forestry Department	44,256
Education,	264,453
Education Special Expenditure	535

Military Expenditure—	
Military Contribution	\$1,372,089
Volunteers	40,920
Public Works—	
Public Works Department.....	353,958
Public Works Department Special Expenditure.....	575
Public Works, Recurrent.....	429,100
Public Works, Extraordinary	1,147,980
Post Office	553,450
Kowloon-Canton Railway.....	200,973
Kowloon-Canton Railway Special Expenditure.....	65,000
Charge on account of Public Debt.....	726,263
Pensions	273,869
Charitable Services.....	24,380
Total.....	\$7,852,678

Deduct sums provided in accordance with law:—

Military Expenditure	\$1,372,089
Charge on account of Public Debt.....	306,949
Pensions	273,869
—————	1,952,907
Total.....	\$5,899,773

THE ATTORNEY-GENERAL seconded.

HIS EXCELLENCY—In laying before the Council the Estimates for the coming year, I shall endeavour, as has been my custom in the past, to afford a full explanation of all important changes in these estimates and of the reasons which have led to them. In doing so I must of necessity ask your patience in dealing with figures, but I shall quote them as little as possible, the more so that I desire to avail myself of this annual opportunity of explaining to the Council the policy adopted and the progress made in various departments of administration.

The first and most important point on which you will desire information is, What is the general financial position of the Colony as shown by the estimates? Speaking at the Jubilee dinner of the Chamber of Commerce last April, I ventured the forecast that "so far as the Colonial Budget is concerned, we may hope that we have surmounted our financial difficulties, satisfactorily and permanently, and placed the revenues on a sound basis to meet our liabilities." I trust that the figures

before you will, to some extent at any rate, justify that hope. In spite of the increase of pay given to cadets on sterling salaries, and the cost of the scheme for assisted passages to England for subordinate officers, in spite of an extra lakh to be provided for Postal transit charges, and about one and a half lakhs in railway expenditure, the total estimated expenditure exclusive of Public Works Extraordinary is almost a million dollars less than the estimated revenue. Of this a lakh, derived from the special light dues, is earmarked for typhoon refuge, but we are left with fully the average sum for expenditure on capital works, and the programme of these is as large as our staff of Engineers can properly supervise. This result is one upon which I venture to congratulate the Council, since we are for the first time since the construction of the railway was undertaken facing our full, and indeed our maximum, recurrent expenditure in the form of interest and sinking fund on the loan for that great undertaking. I confess that in past years I have somewhat dreaded the day when this full liability for the service of the loan in addition to running expenses and maintenance would have to be faced, and it is a matter of congratulation that it has not necessitated the imposition of any fresh taxation, or any invasion upon our reserve funds, which, as I shall presently explain, remain at a very high figure indeed. If, as we all anticipate, the receipts from the railway increase each year, we may reasonably hope that the burden, which now, after deducting estimated receipts, stands at $3\frac{3}{4}$ lakhs, will be steadily reduced.

Revenue

I will first briefly review the estimates of revenue. The principal increases are as follows:—\$32,000 under the new general assessment, and additional assessments of new buildings; \$6,500 under Companies local register; \$6,600 under liquor licences; \$4,000 under registration of deeds; \$20,000 under medical examination of emigrants; and \$5,000 under water supply. Last year's estimate for liquor has been retained, viz., \$725,000. The actual receipts in 1910 were only \$387,788, viz., \$212,212 below the estimate of \$600,000, which has nevertheless increased for this year to $7\frac{1}{4}$ lakhs. We expect,

however, to realise \$670,000 this year, and as the old stocks held before the duties were instituted are yearly decreasing, and looking to the fact that the scale of duty on Chinese liquors was doubled on March 16th, while the rebate is no longer granted to the Services, we anticipate that next year we ought to realise the full amount estimated, and I hope we shall exceed it. Our total revenue from opium and spirits amounts to only half that of the Straits, which has a population of only 65,000 more adults. Their figures stand at \$4,441,963 and ours at \$2,150,970. We lose the contribution of \$27,000 from the Imperial Government toward the expenses of the Postal Agencies in China, the cost of which is now borne by the Home Government, though this Government continues to control them for the present. On the other hand, you will observe that a sum of \$137,143 (£12,000), which is recurrent for one more year only, appears as an Imperial contribution for loss on opium revenue consequent on the effect given by the Colony to Imperial policy in this matter. Stamp duties, which prior to last year stood constantly at six lakhs, are shown at \$720,000, a conservative estimate in view of the fact that we realised \$753,836 last year, and I have strong hopes that special means which I am proposing to take to check evasion of this tax may result in a considerable increase. Public school fees show a decrease of \$7,000 owing to the closing of two of the new primary schools, the fees from which were estimated at \$6,000, a matter which I will more fully explain when I come to deal with expenditure upon education. The decrease of 8,000 in timber sales is due to the expiry of the contract for felling a large area. We have found by actual experience that the supposed profit from selling areas of timber is fallacious for it costs more to replant, etc., than we realise, and I do not therefore propose to continue the scheme. The estimated revenue for the railway is put at \$439,600. We have as yet no data from through traffic to enable us to judge whether this is a liberal or a cautious estimate. You will find a full explanation of its details in Appendix II. In class 3 of the revenue, "rent of buildings" has been increased by \$11,000, to which extent I hope that the taxpayer will benefit in the shape of interest on the capital outlay involved by adding a third storey to meet further expansion. The sum shown is the rental we hope to receive until such time as the third floor may be required by

Government. The four heads under which revenue from land is shown exhibit an increase of \$13,000, while markets show a steady increase, being \$10,000 over the estimates of 1910 and \$6,600 over the actual receipts. Class 4 is chiefly remarkable for the large increase of \$16,500 in the sum received for conservancy contracts. The total estimated revenue is \$7,677,488 as against \$6,980,867 actually realised last year—an increase of six lakhs over the estimate of the current year and of seven lakhs over the actual receipts of 1910.

Expenditure

Under expenditure two higher grade clerkships are created in the Treasury to assist in the formation of an examining branch in conjunction with the local audit of expenditure, which I am glad to say has now been instituted. In the Harbour Department, and in various other departments a considerable economy, estimated at \$4,700 has resulted from placing the purchase and issue of coal for launches under Commander Beckwith, and procuring it under a single contract. The amount now appears under Miscellaneous Services. Under Observatory, provision has been made to continue his salary to the present Director, till the end of June while on leave, as well as for his successor. Mr. Figg will then retire on pension after 29 years of service in this Colony, to which his long experience has been of great value. The heading Miscellaneous Services includes a sum of \$2,000, to which I invite the assent of this Council for the expenses of the Congress of the Far Eastern Association of Tropical Medicine, who will assemble in this Colony on January 20th next. We desire to afford a most cordial welcome to these representatives of scientific research in a field of investigation so vitally important to each one of us, and I take this opportunity of expressing an earnest hope that the Congress may be well attended, and that its deliberations may prove fruitful and stimulating.

The University

There is also a sum of \$9,000, to which I trust that this Council will annually agree, for the establishment of a Professorial

Chair at the University. It will supersede the vote of \$2,500 which has hitherto been granted to the College of Medicine, since this institution will now be absorbed by the University. The latter vote has been retained on the estimates this year, as the College will continue for a great part of the year, but it will not be fully spent. The University vote, should the Council approve, will be paid in full in order to cover cost of passages, etc. I propose that the sum shown in the estimates shall annually be paid over to the funds of the University, as a recognition by Government on the one hand of the large amount subscribed by voluntary contributions towards this project, and on the other hand because the University will greatly benefit the taxpayers of the Colony by affording a means of completing the education of the pupils in the highest classes of our secondary schools. It is not an unduly liberal contribution compared with the \$14,450 per annum which the Straits give to the Medical College there. This Government recognition, if assented to by this Council, will, I am confident, greatly encourage the Chinese gentlemen who have made such strenuous efforts to promote this scheme. The Miscellaneous vote is, as I have already said, increased by a sum of \$32,000 for coal for launches, which replaces votes to a larger amount hitherto shown under various departments.

Subsidiary Coinage, Etc.

Provision is made for the loss actually incurred by the receipt of revenue paid in subsidiary coins, the discount being estimated at seven per cent. No provision is made for demonetisation, which the Secretary of State and the Lords of the Treasury consider to be an inadvisable measure, and the cost of which we are at present ill able to afford. We may, however, count it to ourselves for righteousness that during the last four years we have recalled from circulation and melted down silver subsidiary coins to the value of \$5,272,012, and copper to the value of \$255,446, representing a total of over 78,000,000 coins at a cost to the revenue of \$795,758. We shall await with interest the disclosure of the steps which are about to be taken by China for the reorganisation of her currency under the auspices of the four Powers who have guaranteed a great loan for the purpose, and who will undoubtedly see

that it is spent to good purpose. How the measures they may introduce will react on our subsidiary coinage problem in this Colony remains to be seen, and we shall shape our policy accordingly when we know them. The balance of the sum due for the revision of the Ordinances is included. The total net cost after deducting the value of the copies purchased at the ordinary sale price will be \$5,000 only, and I can personally testify, as also can the Law Committee of this Council, to the immense amount of time, industry and ability which Sir Francis Piggott has devoted to the work. We are fortunate in having so exceptionally able an editor.

Police, Etc.

The cost of the assisted-passages scheme involves an increase of some \$6,000 in the transport vote, which was previously underestimated; the actual expenditure last year standing at \$14,000. The police have been increased by the addition of one European sergeant and two lance sergeants; the Indians decreased by 14 constables and the Chinese increased by 44 police constables, while No. 3 police launch is re-commissioned with a full crew. The additions to the strength of the police are made in order to admit of a considerable increase in the detective force, and the division of the whole city and of Kowloon into detective divisions for the better suppression of crime. These measures have already been carried out, the cost this year having been approved by this Council in a supplementary vote, and I think I can already detect a good result. The re-commissioning of the launch is in order to more effectually patrol the waters of the Colony, with a view to stopping armed robberies at sea, which are of too frequent occurrence. A new police station has been opened at Tsun Wan, a European police sergeant being withdrawn from Au Tau for this charge. The effect of these changes is to increase the total for salaries by \$17,000, but the total cost of the police, exclusive of fire brigade and prisons, remains the same owing to various economies under other charge votes, and to the transfer of \$13,000 for coal for launches to the head Miscellaneous Services. The charge for the department is roughly 12 per cent. of the revenue of the Colony. Some economies

have been effected in the prison staff on the suggestion of the Assistant Superintendent of Victoria Gaol, especially the substitution of four Indian for two European warders; and on the recommendation of the Captain Superintendent of Police the \$5,000 voted under Fire Brigade last year for street fire alarms has not been spent. A motor tender with new ladders to enable the firemen to reach the scene of a fire more quickly than is at present possible with coolie drawn carts has been substituted, at a cost to be provided next year of \$14,000.

The Medical Department shows no change of importance. The Lunatic Asylum is retained on its present basis, but the question of providing some better accommodation for its increasing numbers is engaging my attention. The grant to the Tung Wa Hospital for medicines hitherto an elastic amount, is increased by \$1,000, and \$2,500 is now fixed as a maximum. The Sanitary Department continues its policy of substituting direct control for the unwieldy contracts which it was difficult to supervise. The total of the salaries is thereby increased to a small amount by the engagement of extra bullock drivers and launch men in order to effect a much larger decrease in the contracts which appear under other charges. The total estimated expenditure in this department has now fallen to \$341,096, with an increase of efficiency due to improved methods and to the constant supervision and thought given by the Head of the Department, and by the public-spirited gentlemen who form the Sanitary Board. The Botanical and Forestry Department continues to carry out most useful work in the afforestation of the Colony and the care of its splendid public gardens. By various economies its cost has been reduced to \$44,256.

The Government's Educational Policy

In dealing with the Vote for Education I shall ask your attention to a few remarks on the progress of the general educational policy which has been followed during the past three years. First, as regards the schools (whether supported by Government alone, or by missions or by others with a Government grant) in which a *secondary* education is given. A tendency had grown up to regard an increased attendance of pupils as the chief

sign of progress and development. The staff of the Schools had not in the large majority of cases kept pace with the increase in numbers of scholars and the Government schools were no exception. In Queen's College, for instance, the attendance was about 1,000, though the numbers for whom it is now found (even with extra class rooms) that proper accommodation can be provided is only 800. As a consequence the size of the classes had in many cases grown very large and much in excess of the number which could properly and efficiently be taught by a single master. The quality of the education afforded was therefore deteriorating from year to year, while the schools were overcrowded. Moreover, there was a tendency in most, if not in all, of the schools which professed to give a secondary education, to increase the numbers in the lowest (*viz.*, the primary) classes, and as the grant was given *per caput*, the same sum was received for a mere infant as for boys in the top classes whose education required expensive masters.

I laid these matters, with some others, before a committee of experts early last year, and their recommendations were summarized in a report which was laid before this Council on May 5th, 1910 (Sessional Paper 3, 1910). Effect was given to their proposals by various alterations in the Grant Code. To check the tendency to augment the lower classes at the expense of the advanced ones, a higher grant was given for pupils in the upper and middle divisions of a school than for those in the lower division; while a special grant, which now appears separately to the amount of \$3,500, was given for those who passed the tests of the Oxford Local examination. To ensure adequate personal attention to every pupil, and to check overcrowding, the numbers in a single class under one master were limited to 40. The standard of each class was at the same time made identical in all Government and grant schools throughout the Colony so that comparison of the education given by each school is now easy. These reforms were applied to Government schools equally with grant schools, and the teaching staff was considerably increased, while the number of pupils was reduced partly by the introduction of dual desks, which prevented the former overcrowding and reduced the accommodation available, and partly by the elimination of

the excessive numbers in the lower classes. In pursuance of this policy the estimates for the present year provided for the addition of a translation master and five visiting vernacular masters at Queen's College whose duties should consist in giving better instruction in the Chinese language, while the estimates for the next year provide for two more English masters at this school, and one more assistant mistress at the Belilios Girls' School.

Turning now from Secondary to Primary education, viz., from upper to lower grade schools, the committee of 1910 recommended that Government should open three primary "English" schools to accommodate the children who would be excluded from the classes of the secondary schools by the operation of the reforms I have described. These, as you are aware, were provided for the first time in this year's estimates, and were opened in September, 1910. They were located at Praya East, Taipingshan, and Mongkok. The last two of these have proved not to be required, and they were therefore closed last January. Their average attendance in that month was only 9.78 and 9.2, respectively. The school at Praya East has proved a success, and an extra master is provided for it next year. These are all schools in which instruction is given in the English language. I turn now to Primary Vernacular Schools, *e.g.*, those in which Chinese is the sole medium of instruction and English is not as a rule taught. The schools in the New Territory are, I am glad to say, doing well and increasing their attendance. Extra masters are provided at Taipo, Pingshan and Cheungchow. I hope to see the number of these rural English schools increase, but the villages are for the most part small, and primary vernacular education is carried on by private enterprise.

During the past year an important step which has been under consideration for nearly a year has been taken in regard to the primary vernacular education of the children of the Colony, and I take this opportunity of explaining the matter. When the discussions relative to the reforms in secondary education had been disposed of by the adoption of the recommendation of the committee to which I referred, I discussed with the heads of the missions concerned and with a number of influential Chinese gentlemen a scheme for co-ordinating the lower grade or primary

vernacular schools in the Colony. So far as these are conducted by missions it appeared to me that there was much room for improvement and economy. The schools were mostly very small and badly located, several being close together, while other large districts lacked any school at all. They were consequently unduly expensive. It seemed to me, moreover, that the Government grants-in-aid were much too high in proportion to the class of education given, for it was admitted that a superior education could be obtained in the vernacular side of Belilios Girls' School at a cost of \$5.24 per pupil, while the cost to Government per unit at the grant schools was over \$7. In these views the Director of Education and the Colonial Secretary concurred, and I did not find that they were seriously disputed by the missions concerned. I propose therefore to reduce the grant under Article 39A of the Code from \$6, \$7 and \$9 to \$3, \$4 and \$5, viz., from a total of \$19,979 to \$15,866, and to abolish grants-in-aid of rent. The missions accepted these reductions, but decided to continue all their schools. This sets free a sum of \$4,113.

Apart, however, from these mission-conducted schools which received a grant from Government, there are an immense number of private vernacular primary schools run as a speculation by Chinese teachers of which the Government has little or no knowledge whatever. Many others are supported by Chinese Societies, such as the Ellis Kadoorie Schools Committee, the Confucian Society, and others. I have long thought that this was a sphere in which the leading Chinese in this Colony would undoubtedly interest themselves, if they were invited to do so by the Government and assured of Government co-operation. I consulted therefore the Chinese members of the Council and many of the leading Chinese gentlemen with the Registrar-General and the Director of Education, and eventually a Chinese Board of Primary Vernacular Education was appointed by an Order-in-Council which appeared in the *Gazette* of September 15th, 1911. The object of the Order is to constitute a Board somewhat similar to the Directorate of the Tung Wa, but which includes the Registrar-General and the Director of Education. It is my hope that the Chinese will take this matter of primary vernacular education into

their own hands, as a new form of civic usefulness, assured of Government co-operation and financial assistance, but unhampered by red tape and unnecessary control or interference. When they have made their plans and formulated a scheme they can ask for whatever statutory powers they find necessary, and this Council will have an opportunity of fully debating the subject. It is proposed to hand over to them the \$4,100 saved on the mission-conducted schools of the same class.

I have great hopes of this scheme if it is allowed to develop on natural lines of evolution in its own way. I hope that in the future every primary school in the Colony in which instruction is imparted in the Chinese language will be under the cognizance of this Board, other than those conducted by Government itself, or by missions under a Government grant, I trust that a great improvement in methods of education by the employment of trained teachers and better supervision will be the result. The principle involved is the encouragement of Chinese initiative with Government co-operation, and the promotion of a better and more widely-extended system of primary education in the Chinese language. The generosity of the Chinese in matters of education, when under their own control, will no doubt provide funds, but I do not disguise the fact that in future years the grant provided by Government will probably need to be largely increased.

In regard to education generally, we must remember that data applicable to England and indeed to most other Crown colonies are not applicable here, where our school population consists very largely of aliens from China and is transitory. Compulsory education for all children is hardly, I think you will agree, a feasible proposal at the present time. I do not share the view of the distinguished gentlemen who has recently contributed a series of articles to the Press, that existing charitable agencies are hampered by want of legislation, and I doubt whether a "system of registration and inspection" of these institutions would not be more likely to stifle than to encourage them. In the last completed year of account, 1910, we spent 2.34 per cent. of our revenue on education, and in the seven years prior to 1907 we spent only 1.69, an increase of about 38 per cent. I believe that this increased

expenditure has been justified by a very real progress and extended and improved education. This extension and improvement will need to be steadily continued from year, for though, as I have told you, we have increased our expenditure on education by as much as 38 per cent. since I have been here, it is still but a very small proportion of our revenue, and contrasts, I think, unfavourably with other colonies. In the Straits Settlements the proportion appears to be approximately double.

The reforms which have been inaugurated are the outcome, not of any single opinion, but of continued consultation with those who are best informed, and I trust that the settled lines of progress will not be nullified by putting the system into the melting pot every few years, or by an undue thirst for legislation. It may be that the time has come to add an Educational Board to the innumerable Boards and Committees which exist in the Colony, and if there should appear to be any such desire the Government would gladly comply with it. But, for my own part, I think it will be wise to await the development of the Chinese Primary Schools Board, and not to over-weight the education of the Colony by too great a multiplication of Boards and Advisors, seeing that already no important step is taken by Government without consulting those best qualified to advise.

The Technical Institute under Mr. Ralphs has thoroughly justified the hopes of my predecessor, when he first established it under the name of "Evening Continuation Classes." Its third year pupils are now gaining certificates which denote a high level of attainment in the various subjects for which they are granted. The decrease of cost (\$2,300) is due merely to the fact that in the past two years the votes have been over-estimated.

Volunteers

There is a decrease under the cost of the Volunteers, because I am sorry to say that we are losing the services of Captain Thompson next year, and the new staff officer will be of junior rank.

Public Works Department

In the Public Works Department a reorganisation of the staff of engineers junior

to the Director and his assistants has been carried out after a very great deal of enquiry and discussion. There will be three first grade and four second grade Executive Engineers, with a duty pay of £60 per annum, and four first grade Assistants with a duty pay of £50, with five second grade Assistants (duty pay £40). It is hoped that the new rates will dispose of a grievance which has long been felt by a class of Government servants who deserve well of the community, and than whom none work harder. The new classification with its rates of pay and duty pay (which has not yet received the sanction of the Secretary of State, though he has concurred in the principles adopted), will somewhat improve the position and prospects of the engineers, and will, I hope, tempt men to remain in the Government service instead of leaving it, as so many have done, to practice independently. The establishment is reduced by two overseers of the first class, and two of the second class, and by one foreman, in consequence of the completion of the Government Offices and Law Courts. These temporary appointments should never have been borne on the estimates, but charged to the work.

Recurrent Expenditure.

The votes under Public Works Recurrent have in some cases been considerably altered. In some few it has been found possible to reduce them, judging by the average expenditure of the last few years, but in most cases there has been an increase, resulting in a net increase to the vote of \$12,900. As new works are completed in a growing colony, the recurrent vote for their maintenance must increase yearly. The main increase in the present estimates, however, is due to the large sum of \$19,500 which I have added to the vote for typhoon damages. The sum now shown is about the average expenditure on this account, over and above the ordinary maintenance votes. It appears to me a false presentation of the estimates of expenditure to place this vote at \$12,500 only, and to ask this Council for a supplementary vote regularly each year. Care will, however, be taken by the Director of Public Works to see that this vote is not drawn upon for ordinary maintenance, and expenditure under it will in each case need the Governor's sanction, so that only unforeseen devastation caused by rainstorms and typhoons will be charged

against it. Against this there is a set-off of \$7,000, by which amount the votes for Chinese cemeteries have been reduced by transfer of new works to Public Works Extraordinary. These votes were largely increased last year in my absence, and as I think wrongly, because the money was required not for necessarily recurrent work, but for extensions and new works which should properly be included under Public Works Extraordinary and receive the express sanction of Council. They are so included this year.

New Works

I come now to the interesting question of the way in which I propose to the Council that we should spend our Margin on capital works. That margin usually consists of a sum of eight or ten lakhs, and, as I said at the beginning of my speech, we have fully the average amount to spend next year. In addition we have the expenditure on the Typhoon Refuge, which, as you know, is provided from a special fund, consisting in part of Special Light Dues and in part of our Reserves, which stand at the very satisfactory figure of \$1,452,379, and to which each year since I have been here we have added a little, in spite of this special fund, and of trade depression, etc. The Law Courts and the Government Offices have for many more years than I have known Hongkong figured as the two first items on our list. The latter disappears entirely, and for the Law Courts only \$10,000 is asked to complete, and is due chiefly to various internal alterations desired by the Judges. There will, I fear, be a further sum of \$10,000 for architects' fees, of which I was not aware till the estimates were closed. The provision of public conveniences, which is so essential for the proper sanitation of a populous city, continues to progress year by year, and \$11,500 is provided for creating three more in 1912. The next large building—of which this Council has already approved by placing \$20,000 on the estimates for this year—is the reconstruction of the Magistracy, since the lack of proper accommodation has been a source of complaint for many years. I hope that we may be able to utilise the very valuable site occupied by the present two-storey building to much better advantage, and perhaps to provide extra quarters for married police on a third storey. They are

very urgently required, but the needs of the Magistracy itself are also great, and it is uncertain to what extent the enlargement of the Central Police Station can be undertaken. I am not satisfied with the initial design which has been prepared, and I propose when a better has been drawn to refer it to the Public Works Committee of this Council for their opinion. Till that has been done no complete estimate can, of course, be given. The present is an auspicious time to undertake this work, as we shall shortly have the old Law Courts in which to temporarily house the Magistracy. On the completion of the new building the old Courts and the site on which they stand can be sold or otherwise dealt with, as may be considered to be most to the public advantage. of the sum voted this year, probably little or none will have been spent by the end of the year. \$38,000 is provided for the work.

For the sanitary department offices and sheds at Wanchai, a sum of \$15,000 was voted last year, of which little, if any, will be spent. The present vote is for completion at a total estimated cost of \$18,000. Another important building which you decided last year to commence is the reconstruction of the Western Market. The estimate for this work is \$240,000 in addition to the sum of \$55,500 which the Council voted on November 19th last for resumption of buildings. Of the sum borne on the estimates for this year (\$25,000), probably about \$15,000 will have been expended by the end of the year, and \$76,000 is provided for continuing the work next year. For the extra storey at Yaumati School \$16,000 was provided, of which \$13,000 will have been spent. The estimate has been increased to \$24,000 principally because the lowest tender received is over \$3,000 in excess of the estimate, and also to include school furniture and some alterations in design. \$11,000 is provided to complete it. The market and slaughter-house at Aberdeen, for which the estimate is \$11,400, requires \$3,000 to complete, Yaumati sheds and stables for the sanitary department appeared in the estimates for 1911 with provision to the extent of \$10,000 out of a total estimate of \$16,000. A commencement will shortly be made on this work, and about \$2,000 will be spent this year. The balance, \$14,000, to complete is provided next year. The Kap Sing Lighthouse, which was delayed for a time in

order to obtain the views of the Chamber of Commerce on certain points as to situation, etc., will probably be completed, but it is thought advisable to have a duplicate clock-work gear in case of accidents. The vote of \$10,000 provided this year for additions to the Maternity Hospital will be spent, and \$3,000 more is now provided to complete.

Roads in Kowloon and the New Territory

Omitting for the present new works under the sub-head "Buildings," the votes which follow, for forming roads and streets throughout the Colony and in the New Territory, training nullahs, etc., have with many others in past years been entered on the estimates without any details as to how it was proposed that the large sums voted should be spent, or any estimates of the cost of the works proposed under them. In the present estimates the principal works are shown with their estimated cost. Under "Kowloon roads and streets" a sum of \$20,000 is provided for the prolongation of Nathan Road, and \$5,000 for channelling Gascoyne and Chatham Roads. Under "New Roads, New Territory," \$15,000 is provided to enable the last section of the Castle Peak-Sha Tau Kok road, viz., from Au Tau to San Tin, to be undertaken, with the exception of the bridge near Au Tau, which is a large work. You will recollect that when I inaugurated the construction of this main trunk road through the New Territory in 1908, I informed you that I proposed to run it right through at a breadth of 6 feet only, but to purchase land sufficient to broaden it eventually to 14 feet, and to build all bridges at that breadth. This will have been accomplished when the sum now provided, and a further sum of \$21,000 in 1913, has been expended. In future years we propose to broaden it to the full 14 feet as a cart road in such sections as show a prospect of cart traffic, especially between Au Tau and Castle Peak.

From Fanling to Shau Tau Kok a light line, as you are aware, is being laid along this road, and will, I hope, be completed this year. The roadway of this light line, like the rest of this road, has been paid for out of this vote. The balance required to complete it is estimated at \$21,495, the greater part of which will be e x p e n d e d t h i s y e a r .

Regarding the cost of laying the light line, I will speak when I come to the expenditure upon railways. The total cost of this road—24.1 miles in length—up to the end of this year is put down at \$140,000, including purchase of land. Adding the sums of \$36,000 and \$5,000 required to complete the two unfinished sections (San Tin-Au Tau and Au Ha-Sha Tau Kok) its entire cost will be \$181,000, to which we may add \$54,107 for the light line. It is money well spent, not only as a feeder to the railway and for administrative and police purposes, but also because it is a legitimate and proper benefit to the taxpayers of the New Territory. I do not propose to broaden the road beyond Fanling where it forms the track of the light line. The cost of broadening the remainder to the full 14 feet is estimated at \$62,000 only. In addition to this I propose to construct a short branch from Au Tau to the large village of Kam Tin on the same principles, at a cost of \$9,000, which is now provided. This may in future years be extended to the foot of the hills towards Taipo and thence cross the gap by a bridle path. The length of the present section is one mile. The total vote for "Roads, New Territory," therefore stands at \$24,000.

Hongkong Roads and Nullahs

The vote for roads and streets in Hongkong, hitherto called "Forming and Kerbing Streets," stands at \$30,000. Of this \$15,000 is for a road to connect Chamberlain Road with Plantation Road, and onward to open up some new sites—at an estimated cost of \$17,000, of which \$2,000 will be spent this year out of the vote "Forming and kerbing streets." As there was some divergence of opinion regarding the route this road should follow, I referred the matter for the advice of the Public Works Committee, whose report has been laid on the table to-day and whose recommendations have been adopted. Other items under this heading are the diversion of the Bonham Road at No. 2 Tank (\$3,000), where a large depression has been filled in and a valuable site made available; a continuation of the scheme of improvement at Taihang Village, \$2,000; improvements near the junction of Bonham and Pokfulam Roads, \$3,000, and the improvement of a further section at Wong Nei Chong, \$1,000, leaving \$7,000 for any unforeseen minor works which may be required during 1912. Under

"Training Nullahs" \$3,000 is provided for a stream near the first bridge on the Pokfulam Road, \$7,400 for two nullahs at Shaukiwan, and \$600 for one in May Road. These are recommended by the Sanitary and Principal Medical Officer as being the most urgent and are all situated in districts where the most malaria has occurred. A further \$19,000 is provided for nullahs in the vicinity of Wanchai or Bowen Road, but it has not been definitely decided which of them will be taken in hand first. A sum of \$4,000 will complete the work shown under "Flushing Tanks and Iron Pipes."

Drainage and Survey

The Miscellaneous Drainage Vote includes a sum of \$5,000 for necessary works in connection with the large reclamation scheme at Shamsuipo; and \$7,500 to complete, at a total of \$13,500, the Craigmin Road sewer which is being made to intercept the sullage water from houses situated within the catchment area of Aberdeen reservoir, and to conduct it to Wanchai Gap, where it may either be treated by filtration or connected with the city sewers. \$2,500 is set aside for the sewerage system at Shaukiwan West in connection with developments occurring there; \$1,400 in connection with reclamations at Yaumati, and \$1,850 for the extension of the storm water drain near Blackhead's Point. This leaves a balance for works in connection with new leases and general purposes in 1912 of \$9,250, of which \$1,100 will probably be required for a drain near the Anatomical Theatre, and \$1,000 to substitute 12-inch for 9-inch pipes between Garden Road and the City Hall. Total vote, \$27,500.

For the triangulation survey \$5,000 was provided this year. Of this about \$2,000 will be spent, making an estimated total to December 31st of \$4,238. \$1,500 is provided for 1912, and I am glad to say that this very greatly needed survey of Hongkong Island—of which after seventy years of occupation we possess no even tolerable map—is making fair progress.

Royal Square

The iron fencing around the garden plots in Royal Square will cost \$13,880. The class of fencing which should be adopted

has been much discussed, and unless during this debate other views should be expressed, I propose to adopt the recommendation of the Public Works Committee and order railings exactly similar to those at present on the western side of the Square. Personally I think that it would have been preferable to take the heavy railings from the seaward lots and to use them for the southern unfenced plots opposite the Law Courts, so that they would be symmetrical on either side, and to fence the two plots east and west opposite the Hongkong Club and nearest the sea with a somewhat lighter class of fencing and with fewer masonry pillars, so as not to detract from the sense of open space which it is most desirable that the Square should convey to the eye, and to allow the view to sweep upwards from the sea front unimpeded by small plots highly palisaded. It is, however, a matter for the community to decide as it may please.

Piers

Last year a sum of \$30,000 was provided for a pier opposite the Square. The work has not yet been taken in hand. I think myself that it is open to question whether another pier at Kowloon is not a more urgent necessity than this. But it is difficult to decide at what point such a pier could be most advantageously placed until we know definitely where the main railway station will be located. This is a subject upon which opinions differ radically, and after much discussion it was decided to hold the matter over until we have some idea, not only of the nature and the amount of the through traffic to Canton, but also at what hours of the day chief pressure will occur, and consequently in what manner the railway can best be served by the ferry. I hope to lay papers on this subject shortly so that the Council and the Public may form their own opinion on the merits of the various schemes which have been advocated. In the meantime I think it is better to hold over the construction of the pier, the more so that the question of whether one is required at Royal Square and, if so, of what class its roofing should be, is also a matter of some controversy, and the question does not press. If before the end of next year a definite view finds general approval, either for a pier on this side or on the other, we can commence construction on a supplementary vote.

Water Supply

The expenditure on the Kowloon Water Works, which have cost the Colony a total sum of \$1,279,379, has now ceased with their completion. They are indeed a magnificent undertaking, and the supply of water which they provide is so much in excess of present demands that we may feel some confidence that a considerable time will elapse before the Colony has to trouble about the water supply on the other side of the harbour. The new scheme for a better water supply to Shaukiwan was approved by the Council last year at an estimated cost of \$60,000, of which \$40,000 was voted, and \$17,000 will have been spent this year, \$30,000 has been placed on the estimates to carry on the scheme. Similarly, \$30,000 was voted last year for an additional service reservoir at West Point, and as the Council has approved the proposals I need not recall the reasons for the work. It has not, however, been found possible to do more than prepare plans and estimates this year. It is proposed to begin the work at an early date. \$50,000 is provided. Finally, we propose to commence the new reservoir at Tytam Tuk, spending \$100,000 on it next year; more than this cannot, I am told, be spent by the engineers in the first year of work. The scheme for this reservoir, which, when completed, will put an end for a long period of years to all our water troubles and make us independent of Pokfulam, is not yet finally settled, and it will in due course be laid before the Public Works Committee. I am sincerely glad that this undertaking, which will cost upwards of two million dollars, should be inaugurated while I am in the Colony. Like the Typhoon Refuge, it will be an immense boon to the Chinese, who at present are annually placed on a restricted water supply during a considerable portion of the dry season.

Other Works

The vote for Miscellaneous Works stands at \$20,000. The minor works foreseen are few. They include \$1,000 for ricksha stands and \$1,000 for walling in the area at the junction of Arbuthnot Road and Wyndham Street, with \$860 for two other small works. The balance of the vote is for unforeseen minor works during 1912. The important reclamation opposite the Typhoon Refuge at

Yaumati, estimated at \$87,000, was approved by this Council last year, and a sum of \$12,500 was voted for it. Of this it is estimated that \$4,000 will have been spent this year, and a further sum of \$40,000 is provided to continue the work next year. For the improvement of Apliu Village a sum of \$13,000 was voted last year to complete, but it has been found necessary to ask the Council for a supplementary vote of \$14,000 to compensate the lessees of plots interfered with, thus causing the estimate to be increased to \$33,000, which is \$4,200 in excess of the original estimate. A sum of \$6,000 is placed on next year's estimates to complete the work.

For continuing the laying out, raising and improvement of the little village of Tai Hang behind the Polo Ground a further sum of \$5,000 is allotted, and you will recollect that \$2,000 is already included in the vote for new roads and streets. The cost of this improvement has been wrongly shown under different votes in the past. In all we shall have spent \$11,555 upon it up to the end of this year, and the total scheme is estimated to cost \$18,600. The "Compensation" vote has been enlarged to include the equally vague charge for expenditure which may be incurred by Government owing to any unforeseen necessity for resuming land for a public purpose. Hitherto no provision has been made in the estimates, though such liabilities are not infrequent. A total sum of \$25,000 has been provided to meet such contingencies.

The Principal Civil Medical Officer has to my knowledge for the last four years, and probably longer, represented the need of a new operating theatre at the Government Civil Hospital. We propose to begin this next year, spending \$15,000 out of the total estimate of \$30,000. \$5,000 is also provided for tiling the lavatories. 25,000 is set apart for sheds for Public Works Department stores on the piece of ground already occupied by them below the Naval Hospital, which will be properly laid out and levelled. It will then be possible to remove the temporary stores on the Praya East reclamation near No. 2 Police Station, which can be let out for other occupation. The total cost is estimated at \$46,500. The Sanitary Board has represented that extensions to the Kowloon slaughter-houses are very urgently needed, involving the displacement of some coolie quarters. A house is also required for an additional inspector at a total cost of \$32,500. A supplementary vote of \$1,000 will be submitted to you to enable the work to be begun this year;

a total of \$26,000 is provided next year. The Sanitary Board also recommends the erection of a fruit and vegetable market in the Eastern district, but no estimate has yet been made. \$5,000 is set down to commence the work. Another market is also required at Yaumati at a cost of \$9,600. All these are remunerative works.

Internal alterations in the Kennedy Town Hospital involve a sum of \$2,500, and an additional office much required at the Observatory will cost \$2,000. Belilios Girls' School has overflowed its quarters and a number of the girls are at present being taught in hired rooms. An extension of the present building is required, but it has not yet been possible to draw up an estimate. \$5,000 is provided to commence the work. It has been represented to Government that the Sanitary Department urgently requires offices in the Western District at a cost of \$7,000. The fish pond at Taipo, which was filled in a year or two ago, forms a valuable building site, for a portion of which Government has already received offers. A further sum of \$2,000 is required to raise the level of a portion of the reclaimed ground. \$9,000 transferred from the maintenance vote is set down for laying out new areas in Chinese cemeteries. The large reclamation scheme at Samshuipo will absorb \$25,000 in order to provide sites for persons dislodged from the old insanitary village. The total scheme is estimated at \$84,300. A sum of \$20,000 is required for duplicate pumps at the pumping station on Bonham Road, but before these are laid down the question of removing the station to another site will be investigated.

It is proposed to train the stream which flows under railway bridge No. 30 at Taipo directly out to the north by means of a causeway costing \$2,500. A bridge for the roadway will be required at \$8,000. When these are completed a fine level area can be reclaimed at the small cost of \$72,000, 24 acres in extent, adjoining Taipo station and fronting on the sea. It should form a very valuable asset, and would be an ideal situation for a hotel and recreation grounds.

The programme of works which I have presented to you is a tolerably full one, but the Director of Public Works anticipates

that he will be able to carry it out. I dislike the system which has not seldom obtained here of scheduling an ambitious list of works, a considerable portion of which are never commenced in the year for which provision has been made. I hope that in future, before the annual estimates are presented, it may be possible to have fully prepared estimates of every work proposed for the coming year instead of leaving this preliminary work to the year in which money is provided for actual construction. It will, however, take time to gradually overtake this system. The total amount of these works is \$797,980. The estimated revenue, deducting the special light dues which belong to the Typhoon Refuge, is \$7,582,488, and the estimated expenditure without Public Works Extraordinary is \$6,704,698, leaving \$877,790 to meet capital expenditure on works. We thus have an estimated surplus of \$79,810, which can be devoted to the Typhoon Refuge, and with the light dues makes a total sum of \$174,810. We propose to spend \$350,000 on this work next year, and owing to the satisfactory state of our finances we shall require to draw only a half, namely, \$175,000, instead of $2\frac{1}{2}$ lakhs from our reserves to meet this expenditure, a sum which may not improbably be saved on the year's working without trenching on the reserves at all.

Post Office

Under Other Charges, Post Office, you will find an increase of an extra lakh under transit charges for Siberian mails, a very heavy charge which is in part an arrears payment. The postal estimates do not otherwise call for any special remark. We are still, as I have said, carrying on the Postal Agencies in China on behalf of the Imperial Government, but all charges are borne by the Home Government, from whom we have claimed various sums for postal buildings, furniture, etc., including a sum of \$27,000 due on account of the Tientsin Agency and not yet paid. These sums, however, have not been credited in the estimates, and when paid they will add to our surplus.

The Railway

I have already referred to the railway. You will note in the first place that the estimates

are prepared in App. II. in the way usual with railways so as to facilitate comparison with others. In the second place you will see that the loan account is now closed, and the heading "chargeable to capital" only appears in regard to special expenditure, and for purposes of our estimates it conveys no significance, since all railway expenditure is now equally chargeable to revenue. Similarly the interest on borrowed capital is now transferred to the head "public debt." The running expenses are estimated by Mr. Lindsey at \$190,087, and the earnings at \$425,000, showing a balance of profit of \$235,000 towards the service of the loan. This, I confess, seemed to me somewhat optimistic in the first year of through working, but Mr. Lindsey, who has very great experience, and in whom I have the utmost confidence, assures me that, in his opinion, it is a safe estimate, and based on careful calculations. The little Fanling-Sha Tau Kok branch is estimated to cost us for running expenses and maintenance \$10,886 a year and to earn \$14,600, showing a profit of \$3,700. I trust these estimates may be fully realised. Under "special expenditure" for the railway we have provided for another locomotive and for a house for the manager. I may note here for the information of the Council that, apart from the cost of the roadway (which, as I have already told you, has been charged, like all the rest of the road, to Public Works Extraordinary), the expenditure on this light line, including, rolling stock, is estimated at \$54,107 only, of which \$28,000 is a credit to the main line for old materials, and the remainder, \$26,107, is for all other charges, including new permanent way, materials and a new engine. This sum has been charged to the capital account of the Railway.

Public Debt, Etc.

In class 8, the charge on account of Public Debt is shown in, I think, a somewhat clearer form than heretofore. The interest and sinking fund on the loan of 1895, which is constant each year, stand at \$176,206, while the interest and sinking fund on the money borrowed for the railway and the loan to the Viceroy of the Liang Hu Provinces stand at \$550,057. This will vary slightly until the annual instalments of the Wuchang loan are a l l p a i d o f f , w h e n

the railway loan will practically become identical with the money borrowed for the Wuchang loan. The pension list, as on page 96, involves an increase of about \$19,000. The Appendix gives full reasons for all minor alterations not sufficiently explained in the foot-notes.

Conclusion

I have, I fear, drawn a long draft on your patience and attention. In only remains for me to add that the estimated revenue of \$7,677,488, is by far the highest figure ever reached in the history of the Colony, and actually more than double what it was a dozen years ago, while our reserves at the end of the year are estimated at over \$1,452,379, which has only once (in 1893) been slightly exceeded. To secure these results we have not been driven to the imposition of any new taxation, nor, on the other hand, have we adopted any doubtful retrenchments. On the contrary, we have been able to adjust more equitably the salaries of a large portion of the Civil Service, to somewhat increase our Police Force, and, generally speaking, to meet all demands for normal expansion and progress, while vigorously scrutinising such details of expenditure as appeared to admit of economy by improved methods of control. I trust that the coming year may be one of revival of trade and commercial prosperity, which will find its reflection in the Colony's budget receipts. (Applause.)

The motion was agreed to.

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

Foreign Offenders (No. 2) Amendment Ordinance

THE ATTORNEY-GENERAL—moved the first reading of a Bill entitled, "An Ordinance to amend the Foreign Offenders Detention Amendment Ordinance, 1911."

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

According to the objects and reasons attached to the Bill, His Majesty's Secretary of State has approved the principle of the main object of Ordinance No. 23, 1911, but does not sanction the principle underlying the

secondary object of that Ordinance, which was to take away from Foreign Offenders, brought in custody into the Colony, the right of showing cause to the Magistrate why they should not be committed to gaol there to await the order of the Governor under Ordinance No. 1 of 1872.

Railway Amendment Ordinance

THE ATTORNEY - GENERAL moved the first reading of a Bill entitled, "An Ordinance to amend the Railways Ordinance, 1909."

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

The objects and reasons stated that this Bill renders it possible for General Rules to be made with regard to granting free passes, and also puts restrictions on the carriage of dangerous goods.

Merchant Shipping Amendment Ordinance

THE ATTORNEY - GENERAL moved the first reading of a Bill entitled, "An Ordinance to amend the Merchant Shipping Amendment Ordinance, 1899, and certain Ordinances amending the same."

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

The objects and reasons state that Clause 2 of the Bill relieves steam trawlers and other mechanically propelled fishing vessels from some of the requirements of the Principal Ordinance with regard to the certificates of competency of their officers. Clause 3, on the analogy of section 9 of Ordinance No. 10 of 1887, which deals with vehicles on land, provides a fitting punishment (\$50 fine or two months' imprisonment with or without hard labour) for persons who hire boats and refuse to pay for them. Clause 4 requires all junks within the waters of the Colony to be licensed. Formerly licensing was not compulsory and could only be effected under sub-sections (14), (15) and (16) of section 39 of the Principal Ordinance, which is repealed by the Bill. Formerly also section 39 of the Principal Ordinance dealt with junks and section 40 with boats, lighters, hulks, etc. The new section 39 contains all that it is desirable to

retain of both sections. The terms "vessel," "ship" and "junk" are defined in section 2 of the Principal Ordinance. In the new Table T the fees for fishing licences remain as before, but the fees for trading licences are increased because the special permit is done away with except under exceptional circumstances. Licences in future are to be supplied in book form, and so form a permanent history of the vessels in respect of which they are issued. In the new Table U there is but little change. In accordance with the terms of the new section 39 of the Ordinance, Revenue Officers are given powers similar to those possessed already by Police and Harbour Department Officers and persons on board vessels stopped and searched are required to give information as to the ownership of the vessel.

Defence Contribution Amendment Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance to amend the Defence Contribution Ordinance, 1911."

THE ATTORNEY-GENERAL seconded, and the Bill was read a first time.

This Bill, which adds two provisos to section 3 of the Principal Ordinance (Ordinance No. 1 of 1901), is introduced at the suggestion of His Majesty's Secretary of State for the Colonies. It has, moreover, been agreed to by the Lord Commissioners of the Treasury and the Army Council. Section 3 of the Principal Ordinance reads as follows:—
"From the 1st day of January, 1901, a sum equivalent to twenty per centum of the Colonial Revenues shall be appropriated yearly to the Imperial Government as a contribution for the defence of the Colony. Such sum shall be in lieu of that mentioned in the Defence Contribution Ordinance, 1896."

Liquors Amendment Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance to amend the Liquors Consolidation Ordinance, 1911."

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

The objects and reasons state that the amendments (a) and (e) introduced into the

Principal Ordinance by clause 2 of this Bill are due to the decision that Part I. of the Principal Ordinance shall not be made to apply to any part of the New Territories other than New Kowloon. The Liquor Licences Ordinances 1898 and 1909 repealed by the Principal Ordinance did not apply to the New Territories (*see* Ordinance No. 34 of 1910, section 4), and it has been found inconvenient to apply the provisions of Part I. of the Principal Ordinance thereto. The amendments (b) and (c) of the said clause are introduced because it has been found that the word "woman" does not legally cover girls, although it was clearly the intention of the framers of the Principal Ordinance and of the Legislative Council which passed it to include girls. The amendment (d) corrects a mistake in the Principal Ordinance. It reintroduces the provisions of section 32 (1) of Ordinance No. 8 of 1898 which were accidentally omitted in the consolidation. The amendments (f) to (r) inclusive are due to the introduction of a more simple set of forms. The amendment (s) is intended to make it clear that the provisions of section 6 of the Principal Ordinance are not meant to apply to those who import solely for export, and (t) makes the meaning of section 6 (3) of the Principal Ordinance more clear. Clause 4 of the Bill is due to a suggestion by the Editor now engaged on revising the Ordinances to the effect that the term "King's" warehouses is not quite an accurate description of the General Bonded Warehouses which are used.

The Societies Ordinance

THE REGISTRAR-GENERAL—I rise, Sir, to move the first reading of a Bill entitled, "An Ordinance to provide for a more effectual control over Societies and Clubs." The last Ordinance passed by this Council for the regulation of Clubs and Societies was in 1887. During the last 24 years circumstances have changed much, and particularly since 1895, when, in consequence of the riots of 1894, a committee recommended the registration of clubs and societies. Especially during the last three or four years there have been developments on various lines which have made legislation urgently necessary, and I am glad to say that the wealthy and law-abiding classes of the Chinese recognise that this legislation is called for, and accept with
e q u a n i m i t y a n y

restrictions and inconveniences imposed on them by the Bill. The objects and reasons mention working men's clubs as one of the classes of society we wish to control. It is these clubs which organise faction fights and lend out fighting men in cases where the Trades Unions wish to exercise coercion or intimidation. It is noticeable that with the increase of crime last year there was a very large increase in the number of these clubs. As regards societies, their principal development has been in the way of what are called district societies, societies of which the members belong to the same districts in China. These, of course, vary very much. Some are purely philanthropic. Some are managed by professional men and business people well-known to me, but sometimes their enthusiasm outruns their discretion, and they do not seem to realise what may be the consequences of their actions at a particular moment. Always, so far, they have accepted my advice and acted upon it, but the time may come when the Registrar-General may require to have the backing of the law in addition to his own personal authority. In addition to these clubs there are clubs run by people of dubious antecedents who promote them for their own personal uses and to make money out of them. Such clubs require to be registered. Then there is a third class of club, which is dangerous to peace and good order. Sometimes it is frequented by young men having revolutionary tendencies, or closely connected with the revolutionaries. It is necessary for us to keep a close eye on these clubs, and if necessary to suppress them. There are various other ways in which the Ordinance may be made use of, in suppressing clubs promoted by swindlers to get money out of rich young men and in other ways. The Bill itself differs from the 1887 Bill. The 1887 Ordinance is for the suppression of unlawful societies, while this Ordinance is for the effectual control of societies and clubs; thus every society, whatever its object may be, is included in the Bill, and it is left to the Governor-in-Council to decide what action is to be taken in respect of any individual society. The Governor-in-Council has power to put them in one of three classes. He may exempt them altogether, call upon them to be registered, or he may refuse to register them, and they then become unlawful. When the Bill is read a second time I hope there will be a schedule attached to it which will include the clubs and societies we propose to exempt to begin with, and members will find that practically every

club and society in which they take a personal interest will appear on that schedule. The Governor-in-Council can only refuse permission to register for certain specified reasons given in sub-section 4, and he has power to dissolve a society where gaming is carried on under section 16, sub-section 1. It is not our intention to interfere with the ordinary Chinese clubs. We only propose to suppress those clubs which are carried on to swindle young men, or where richer people admit shroffs and clerks in charge of money to play, knowing that they cannot afford to do so. This is all I have to say as regards the Bill at present, and I move that it be read a first time.

The object of the Bill is to provide means of controlling the numerous clubs and societies which have come into existence in Hongkong during the last few years. Some of these societies have been used in the past for the purpose of bringing illegal pressure to bear on persons other than members, and it is feared that in the present state of affairs such occurrences may be repeated and disorders tomented, and it is desired to give the Government opportunities of obtaining full particulars about these societies and of suppressing them where necessary. It is hoped also that the Ordinance will be useful in giving the Registrar a stronger position if guidance or advice appear to be called for. The Ordinance will also enable control to be exercised more effectively over working men's clubs such as those which were responsible for the riots in 1894. The Trial and Unlawful Societies Ordinance, 1887, is repealed, as all its effective provisions are included in the present Bill. The Bill is framed on the same lines as the Ordinance in force in the Straits Settlement. It is necessary to include all clubs and societies, but in practice a very large number will be permanently exempted from registration.

Law Revision Ordinance

THE ATTORNEY - GENERAL moved the first reading of a Bill entitled, "An Ordinance for further promoting the Revision of the Law by repealing certain parts of enactments which have ceased to be in force or have become unnecessary."

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

Law Amendment Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance for further promoting the Revision of the Law by amending certain errors contained in, as well as the language used in, the Ordinances now in force."

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

General Revision Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance for promoting the General Revision of the Law by repealing certain enactments which have ceased to be in force or have become unnecessary, by amending certain other enactments which stand in urgent need thereof, and by incorporating certain amending Ordinances in their respective Principal Ordinances."

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

Union Church Incorporation Ordinance

HON. MR. POLLOCK moved the first reading of a Bill entitled, "An Ordinance for the Incorporation of the Trustees of the Union Church at Victoria in this Colony" In doing so he said—This Bill follows generally upon the provisions of the London Missionary Society Ordinance of 1891, and the Ordinances relating to St. John's Cathedral. The Union Church was first built by the late Dr. Legge, of the London Missionary Society, in Hollywood Road in 1845, and it was afterwards removed in 1863, to Staunton Street, and again in 1889 it was removed to its present site on the Kennedy Road. In 1886 the then premises were assigned by Dr. Legge to trustees as a place for public worship and the preaching of the Gospel. The Church premises have since been vested in trustees, and the affairs of the Church have been looked after by a committee of management elected by the seatholders. It has now been decided by the seatholders — being

subscribers — to apply for incorporation, as it is extremely difficult, owing to the constant changes in the trustees, to deal with the property belonging to the Church, and inasmuch as the Church was originally started by the London Missionary Society, clause 18 has been inserted in the Bill providing that in the event of the discontinuance of public worship for two years, the buildings, all monies, goods and chattels pertaining to the Church shall be held in trust for the London Missionary Society. With these remarks I beg to move the first reading of this Bill.

MR. EDE seconded, and the Bill was read a first time.

Arms and Ammunition Amendment Ordinance

THE ATTORNEY-GENERAL moved that Council go into Committee on the Bill entitled, "An Ordinance to amend the Arms and Ammunition Ordinance, 1900."

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

THE ATTORNEY - GENERAL moved that two additional sections, numbered 3 and 4, be added to the Bill. These sections made removal permits necessary in the case of licensed persons.

The amendment was agreed to.

The Bill was left in Committee and Council resumed.

HIS EXCELLENCY—Council will adjourn till this day fortnight.

FINANCE COMMITTEE.

A meeting of the Finance Committee was then held, the Colonial Secretary presiding. The following votes were passed:—

POST OFFICE.

The Governor recommended the Council to vote a sum of Three thousand three hundred and twenty-five Dollars (\$3,325) in aid of the vote Post Office, A.—Hongkong Post Office, Other Charges for the following items:—

Carriage of Mails, Gratuities to Shipmasters.....	\$3,000
Rent of Branch Office,.....	25
Repairs to Steam Launch.....	100
Transport,	200
Total,.....	\$3,325

HARBOUR MASTER'S DEPARTMENT.

The Governor recommended the Council to vote a sum of Two thousand five hundred Dollars (\$2,500) in aid of the vote Harbour Master's Department for the following items:

A.—Harbour Office.

Other Charges

Electric Fans and Light.....	\$250
Paint and Brushes,.....	250

Special Expenditure

Lighthouses

Installation of Matthews Incandescent Oil Burners, etc.,	2,000
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Total..... \$2,500

POLICE AND PRISON.

The Governor recommended the Council to vote a sum of Three hundred and fifty Dollars (\$350) in aid of the vote Police and Prison Departments, A.—Police, Other Charges, for the following two items:—

Burial of Destitute Dead,.....	\$150
Furniture,.....	200
Total.....	\$350

CORONATION CELEBRATIONS.

The Governor recommended the Council to vote a sum of Forty-four Dollars (\$44) in aid of the vote Miscellaneous Services, Illumination of Public Buildings in connection with the Coronation Celebrations.

RECLAMATION.

The Governor recommended the Council to vote a sum of Five thousand six hundred and twenty Dollars (\$5,620) in aid of the vote Public Works, Extraordinary, Miscellaneous, Reclamation between K.M.L. 83 and H.M.L. 1, Hung Hom.

VILLAGE IMPROVEMENT.

The Governor recommended the Council to vote a sum of Fourteen thousand Dollars (\$14,000) in aid of the vote Public Works, Extraordinary, Miscellaneous, Improvement of Ap Liu Village.

MAINTENANCE OF BUILDINGS.

The Governor recommended the Council to vote a sum of Five thousand five hundred Dollars (\$5,500) in aid of the vote Public Works, Recurrent, Buildings, Maintenance of Buildings.

WATER WORKS.

The Governor recommended the Council to vote a sum of Five thousand and twenty-three Dollars and thirty-nine Cents (\$5,023.39) in aid of the vote Public Works, Extraordinary, Water Works, Kowloon Water Works.

WORKSHOP, DISINFECTING STATION.

The Governor recommended the Council to vote a sum of Two hundred and ten Dollars (\$210) in aid of the vote Public Works, Extraordinary, City Disinfecting Station, Workshops and Shed for Dust Carts, Ambulances, etc.

REPAIRS TO LIGHTER.

The Governor recommended the Council to vote a sum of Six hundred Dollars (\$600) in aid of the vote Sanitary Department, Special Expenditure, for the following item:—

Repairs to Lighter, \$600.

COLONIAL SECRETARY'S DEPARTMENT.

The Governor recommended the Council to vote a sum of Two hundred and fifty Dollars (\$250) in aid of the vote Colonial Secretary's Department and Legislature, Other Charges, Incidental Expenses.

MEDICAL.

The Governor recommended the Council to vote a sum of One hundred Dollars (\$100) in aid of the vote Medical Departments, C.—Institutes, Bacteriological Institute and Mortuaries, Other Charges, Fuel and Light.

TYPHOON DAMAGES.

The Governor recommended the Council to vote a sum of Forty-seven thousand five hundred Dollars (\$47,500) in aid of the vote Public Works, Recurrent, Miscellaneous, Typhoon and Rainstorm Damages.

CENSUS.

The Governor recommended the Council to vote a sum of One thousand one hundred and fifty Dollars (\$1,150) in aid of the vote Registrar-General's Department, Other Charges, Census, Quinquennial — Expenses for taking.

CITY LIGHTING.

The Governor recommended the Council to vote a sum of Two thousand five hundred Dollars (\$2,500) in aid of the vote Public Works, Recurrent, Lighting, Electric Lighting, City.

HOSPITALS.

The Governor recommended the Council to vote a sum of Eight hundred Dollars (\$800) in aid of the vote Medical Departments, *B.* — Hospitals and Asylums, Other Charges, Lunatic Asylums, Provisions for Patients.

SUBSISTENCE OF PRISONERS.

The Governor recommended the Council to vote a sum of One thousand five hundred Dollars (\$1,500) in aid of the vote Police and Prison Departments, *C.* — Prison, Other Charges, Subsistence of Prisoners.

PRINTING.

The Governor recommended the Council to vote a sum of Five thousand Dollars (\$5,000) in aid of the vote Miscellaneous Services, Printing and Binding.

MISCELLANEOUS WORKS.

The Governor recommended the Council to vote a sum of One hundred Dollars (\$100) in aid of the vote Public Works, Extraordinary, Miscellaneous, Miscellaneous Works.

EDUCATION.

The Governor recommended the Council to vote a sum of Two hundred Dollars (\$200) in aid of the vote Education, *A.* — Department of Director of Education, Other Charges, Grants, Grant to Chinese Vernacular Primary Education Board.

JUDICIAL AND LEGAL.

The Governor recommended the Council to vote a sum of Thirty Dollars (\$30) in aid of the vote Judicial and Legal Departments, *D.* — Law officers, Other Charges, Attorney-General's Office, Incidental Expenses and Newspapers.

MAINTENANCE OF GARDENS.

The Governor recommended the Council to vote a sum of Four hundred and thirty Dollars (\$430) in aid of the vote Botanical and Forestry Department, Other Charges, Maintenance of Gardens and Grounds.

GAS LIGHTING.

The Governor recommended the Council to vote a sum of Five thousand Dollars (\$5,000) in aid of the vote Public Works, Recurrent, Lighting, Gas Lighting, City and Hill District.

REPAIRS TO LAUNCHES.

The Governor recommended the Council to vote a sum of Two thousand two hundred and thirty-five Dollars (\$2,235) in aid of the vote Harbour Master's Department, *E.* — Steam Launches, Other Charges, Repairs.