

9TH OCTOBER, 1913.

PRESENT:—

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT, HON. MR. CLAUD SEVERN.

H.E. MAJOR-GENERAL F. H. KELLY, C.B.

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

HON. MR. J. A. S. BUCKNILL, K.C. (Attorney-General).

HON. MR. A. G. M. FLETCHER (Colonial Treasurer).

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

HON. MR. E. R. HALLIFAX (Secretary for Chinese Affairs).

HON. MR. C. McI. MESSER (Captain Superintendent of Police).

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

HON. MR. E. A. HEWETT, C.M.G.

HON. MR. E. SHELLIM.

HON. MR. C. MONTAGUE EDE.

HON. MR. D. LANDALE.

HON. MR. LAU CHU PAK.

MR. R. H. CROFTON (Clerk of Councils).

Minutes

The minutes of the previous meeting were confirmed.

New Member

MR. LAU CHU PAK took the oath, and assumed his seat as a member of the Council.

Financial Minutes

THE COLONIAL SECRETARY, by command of H.E. the Officer Administering the Government, laid on the table Financial Minutes Nos. 53 to 61, and moved that they be referred to the Finance Committee.

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

Financial

THE COLONIAL SECRETARY, by command of H.E. the Officer Administering the Government, laid on the table the report of the Finance Committee (No. 13), and moved its adoption.

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

Papers

THE COLONIAL SECRETARY, by command of H.E. the Officer Administering the Government, laid on the table the report of the Director of Public Works for the year 1912; Draft Estimates for the year 1914, and two financial statements connected with them.

A Convenience for D'Aguilar Street

THE ATTORNEY-GENERAL — Sir, I beg to move the resolution under Section 170 of the Public Health and Buildings Ordinance, 1903, approving the erection of an Underground Trough Closet Latrine in D'Aguilar Street. I understand that the actual language of this resolution has not been furnished to members. The papers are not on the table, but hon. members have all had an opportunity of seeing the papers; which have been circulated to members of Council. The terms of the resolution, perhaps, had better be read. They are as follows:—

"Resolution made by the Legislative Council under the Provisions of Section 170 of the Public Health and Buildings Ordinance, 1903 (Ordinance No. 1 of 1903).

"Whereas application has been duly made by the Sanitary Board to the Governor under Section 167 of the Public Health and Buildings Ordinance, 1903, for the erection of an underground trough closet latrine in D'Aguilar Street just north of its junction with Lan Kwai Fong and Wing Wa Lane:

"And whereas such application having been duly approved by the Governor and a notification of the
i n t e n t i o n t o e r e c t a n

underground trough closet latrine at such site having been duly published in three successive numbers of the *Gazette*, certain owners and occupiers of property in the vicinity have objected to such erection:

"And whereas such objections have been duly considered:

"It is hereby resolved by this Council that the above-mentioned site and the erection thereat of an underground trough closet latrine be and the same are hereby approved."

The necessity for this resolution arises under the Building Ordinance, where, when a public latrine is going to be erected it is necessary that notice should be published in the *Gazette*, and that any objections which may be raised by owners or occupiers of neighbouring properties have got to be put forward; and then it has to be considered whether the Legislative Council will pass a resolution either approving the carrying into operation of the erection of the latrine, or refusing the proposal. In this case the resolution is simply to the effect that the objections should be overruled and the erection proceeded with.

THE COLONIAL SECRETARY seconded.

HIS EXCELLENCY—Apparently this resolution has not been circulated among members of the Council. Therefore, as it was not before them, if any member wishes the matter to be postponed until next meeting in order that he may consider it further, I am willing to agree.

No member asked for a postponement, and the resolution was put to the meeting and agreed to.

Criminal Procedure Amendment Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance to amend the Criminal Procedure Ordinance, 1899."

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

The object of this Bill is to enable the Chief Justice upon giving due notice to order that no Criminal Sessions shall be held in those months in which there is a sitting of the newly constituted Full Court of Appeal. Under the old law two definite months were fixed for the sitting of this Full Court, but it has been ascertained that it may not always be possible for these months to be those in which the sittings should

take place. Under the new Bill greater elasticity is permitted and the months during which the sittings of the Full Court will be held can be arranged as may be found convenient.

Magistrates Amendment Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance to amend the Magistrates Ordinance, 1890."

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

The object of this Bill is to enable the Magistrate to commit an accused person for trial under the altered circumstances which arise owing to the proposals contained in the Criminal Procedure Amendment Ordinance, 1913, as to the fixing by the Chief Justice of the months in which no Criminal Sessions will take place owing to the sittings of the recently constituted Full Court of Appeal. It has been found that it is not possible to fix definitely the months in which these sittings of this Full Court shall take place, and consequently it has been necessary to give more elasticity to the arrangement than exists under the present law. These altered arrangements necessitate corresponding alterations in the Magistrates Ordinance, which are effected by this Bill.

The Sugar Convention Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance to repeal the Sugar Convention Ordinance, 1904."

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

The Objects and Reasons state that His Majesty's Government has withdrawn from the Brussels Sugar Convention, this withdrawal taking place as from the 1st September, 1913. It is therefore necessary to repeal our local Sugar Convention Ordinance, 1904, as the effect of the withdrawal of the Imperial Government from the Convention is to relieve the Imperial Government and the various Colonial administrations which adhered to the Convention from the obligations which they have undertaken under the terms of the Convention.

THE ESTIMATES.

THE COLONIAL SECRETARY moved the first reading of a Bill entitled, "An Ordinance to apply a sum not exceeding Eight million eight hundred and ninety- six thousand eight hundred and seventy-six dollars to the Public Service of the year 1914."

The Bill provides for the appropriation as follows:

Governor	\$ 85,657
Colonial Secretary's Department and Legislature	81,699
Colonial Secretary's Department and Legislature, Special Expenditure	459
Secretariat for Chinese Affairs	53,059
Secretariat for Chinese Affairs, Special Expenditure	200
Audit Department	32,490
Audit Department, Special Expenditure ...	251
Treasury	66,340
Harbour Master's Department	171,754
Harbour Master's Department, Special Expenditure	2,856
Imports and Exports Department.	1,017,233
Imports and Exports Department, Special Expenditure	27,000
Royal Observatory	23,608
Royal Observatory, Special Expenditure ..	2,282
Miscellaneous Services	257,128
Judicial and Legal Departments	268,375
Judicial and Legal Departments, Special Expenditure	1,200
Police and Prison Departments	929,880
Police and Prison Departments, Special Expenditure	1,527
Medical Departments	246,309
Medical Departments, Special Expenditure	100
Sanitary Department	357,851
Sanitary Department, Special Expenditure	11,715
Botanical and Forestry Department	47,959
Botanical and Forestry Department, Special Expenditure	350
Education	317,892
Education, Special Expenditure	1,160
Military Expenditure:—	
Volunteers	43,648
Volunteers, Special Expenditure	21,648
Public Works:—	
Public Works Department	432,530
Public Works, Recurrent	481,000

Public Works, Extraordinary	2,130,800
Post Office	438,421
Kowloon-Canton Railway	271,209
Charge on account of Public Debt	738,851
Pensions	307,200
Charitable Services	25,235
Total	\$8,896,876

THE COLONIAL TREASURER seconded.

HIS EXCELLENCY said:—Honourable Members of the Legislative Council, before dealing with the Estimates which have just been laid on the table, I propose to give you a brief summary of the present financial position of the Colony and of the position we anticipate as a result of this year's working.

The Financial Situation

You will remember that when the Estimates for 1913 were placed before you last October, it was anticipated that the balance of assets over liabilities on 31st December, 1912, would amount to \$2,339,782. This estimate was largely exceeded, the sum actually brought to account being \$2,805,129. According to the revised figure for 1913 ordinary and extraordinary revenue is expected to yield \$8,285,253, or \$433,393 more than was estimated. On the other hand, the total expenditure which was originally estimated at \$8,544,906 is now expected to exceed that figure by \$184,244. These estimates if realised will result in a deficit on 31st December, 1913, of \$443,897, and this sum deducted from the balance of assets accrued on 31st December, 1912, will give a balance of assets on 31st December, 1913, reduced to \$2,361,232. I may point out that the deficit anticipated at the end of the year is less by \$249,149 than was expected, the budget for 1913 having been balanced by an appropriation of \$693,046 from the accumulation of surplus balances.

Estimates of Revenue, 1914

The estimates of revenue for the coming year show a gross increase of \$1,901,100, or, allowing for the additional expenditure of \$993,631 on account of the opium monopoly, an increase of \$907,469 over those approved for the current year. The principal increases, of which explanations

will be found in the footnotes, occur in the items assessed taxes \$56,600, opium monopoly gross \$1,390,000, net \$396,369, stamp duties \$150,000, various items under Fees of Court, etc., \$52,850, Post Office \$40,000, Kowloon-Canton Railway \$53,000 and rents \$55,840.

In connection with opium I desire to refer briefly to the steps which have been taken towards the establishment of a Government opium monopoly. You will remember that in his statement on the budget for the current year Sir Henry May informed you that pending consideration of what steps would be necessary to give effect to The Hague Opium Convention, it had been decided to extend the term of the existing farm for one year only from 1st March, 1913. In sanctioning this course the Secretary of State for the Colonies asked this Government to give careful consideration to the question whether it would not be possible on the expiration of the extended lease to abolish the farm system and to adopt instead the arrangement in force in the Straits Settlements by which the importation and preparation for consumption of opium was under the direct control of the Government. The Superintendent of Imports and Exports was accordingly instructed to report on the practicability of the proposal. In his report Mr. Hutchison wrote:—"It is obvious, I think, that under a monopoly the Government can maintain a closer and stricter control over the use of opium, that its policy with regard to opium can be more quickly and easily adapted to meet changing circumstances, and that abuses can be checked as they arise without the danger of being involved in the payment of large sums in compensation for a breach of agreement."

Subsequently Mr. Hutchison proceeded to Singapore to study the methods in vogue there for the control of the preparation and sale of opium for consumption, and as a result of his investigations it has been decided to start a Government monopoly in this Colony. The feasibility of importing prepared opium from the Straits Settlements for consumption here was at the same time considered, but was found to be impracticable owing to differences in the methods of packing and preparation employed in the Straits Settlements and also for the reason that the factory at Singapore has as much work as it can conveniently cope with.

It was accordingly arranged to take over, at the expiration of his lease, the Opium Farmer's staff and appliances for boiling and to rent the premises which he uses for the purpose. Temporary Government premises have been found for use as offices. The

question of erecting permanent offices is one which demands further consideration and will depend largely upon the future opium policy of the Government.

As regards the method of purchasing raw opium I may inform honourable members that negotiations are in progress with the Government of India for the necessary supply during 1914.

Estimates of Expenditure, 1914

The Estimates of Expenditure for next year show an increase of \$2,036,616 over those approved for the current year. Of this amount \$993,631 is incidental to the establishment of the opium monopoly. The principal items of increase to which I would draw your attention are as follows:—

Secretariat for Chinese Affairs

The addition of a cadet officer in Class II. has been found necessary to facilitate the work of the Secretariat. In addition to giving much needed assistance in carrying out the present duties of the Department, the appointment will permit of more use being made of the opportunities offered by the District Watchmen Force; and it is proposed further to add to the duties of the Force the work connected with the registration of householders under the Regulation of Chinese Ordinance. This work alone will entail much responsible labour, but if efficiently carried out should be of great value in checking serious crime in the Colony. The matter is important enough for the District Watchmen Committee to have authorised the extension of their system of watchmen by opening a new station in Kowloon. The area of the work of the Force will thus be widened as well as its nature.

Harbour Master's Department

Under Special Expenditure \$2,856 has been included for the substitution of "Aga" lights for the existing Wigham lights on the two fairway buoys and Cust

Rock Buoy. An extensive trial which the Harbour Master has made of this method of lighting has clearly demonstrated its superiority over the existing method not only in the matter of power but in the saving which it will be possible to effect in supervision and running expenses.

Imports and Exports Department

I have referred at some length in my remarks on the Estimates of Revenue for 1914 to the steps which have been taken for the establishment of a Government Opium Monopoly, and I will only here deal briefly with the items of expense involved. Owing to the additional work and responsibility involved, the post of Superintendent has been placed in Class II. of the Scheme of Salaries for Cadet Officers. The principal assistant will for the present be an Analyst, who will have direct charge of the opium boiling factory, and as it will be necessary for him to reside in the neighbourhood of the factory he will be given a house allowance. Provision is also included for the necessary executive and clerical staff at a total cost of \$44,512, for the incidental charges at a cost of \$910,119, including a sum of \$849,900 for the purchase of raw opium and for non-recurrent expenditure of \$12,000 on a steam-launch and of \$15,000 on the purchase of the fittings at the present farmer's factory.

Miscellaneous Services

An honorarium of \$1,200 has been inserted for the correspondent to the Intelligence Branch of the Board of Trade. Until recently the Harbour Master acted as honorary correspondent, but it is felt that this work can be performed more satisfactorily by an officer who is in close touch with the commercial side of Hongkong life, and the Government have been fortunate in obtaining the consent of Mr. E. A. M. Williams, Secretary to the Chamber of Commerce, to undertake the important duties involved.

Under the heading Grants-in-Aid of other institutions you will find a new grant of \$10,000 for the Engineering Faculty of the University. In last May it was represented to this Government by the Vice-Chancellor that the Engineering Faculty was in urgent need of being strengthened, more especially by the addition to the staff of a lecturer in the strength of structures, and in the absence of any generous response to the appeal made for funds in England the Government propose that a grant of \$10,000 per annum should be made to this Faculty for a period of 5 years, after which the grant will be re-considered.

As you are aware, the Government already make a contribution of \$10,000 a year to the funds of the University, but I think you will agree with me that a total annual subvention of \$20,000 is not too much to pay towards the support of an institution the success of which is of so much importance to the Colony.

In connection with the sum of \$136,000 for loss on subsidiary coins, I would recall to your mind that the approximate amount of Hongkong subsidiary currency put into circulation was \$43,999,830. Up to the end of the year 1912 coin to the face value of \$6,567,459 had been withdrawn from circulation and demonetized, the loss incurred in the various transactions amounting to \$940,994. During the current year further shipments to the face value of \$840,000 have been made and you will shortly be asked to vote a sum supplementary to the provision included in the estimates for this year to cover the loss on these shipments. Now that the policy of prohibition has been accepted, I feel sure that you will not grudge the money required to pursue more actively the complementary policy of demonetization. It must not be forgotten that large profits were made out of this business in the past and that the so-called losses now being incurred are in reality a diminution of those profits.

Police

On the 10th of last April you were recommended in Financial Minute No. 18 to vote a sum of \$4,728 for certain additions to the Detective Staff on the ground that an insufficient reserve existed for emergency or extraordinary duty. After the piracy on s.s. *Tai On* the Detective Staff was further augmented by 2 European Police Constables and 17 Chinese Constables for the more effective examination of luggage and personal effects of steamer passengers. These additions are included in the estimates now before you. For next year provision has been made for 6 more Indian and 6 more Chinese Constables for No. 7 Police Station in order to afford more adequate protection to property in the Western District, where the increase of buildings during the last 18 months has

been phenomenal. Estimates for 6 more Indian Constables at Aberdeen and Stanley are also inserted, these men being required to replace the European Special Constables by whom these stations were strengthened after the attack on Cheung Chau Island. As regards the increases in the Force in the New Territories I may explain that early in the present year Sir Henry May came to the conclusion that the time had arrived for placing the Police in the New Territories, who had for the most part been under the direct supervision and control of the District Officer and his Assistant, under the direct supervision and control of an executive officer of Police, and that a certain re-organization of this portion of the Police Force should be effected with a view to increasing their efficiency as an armed constabulary force. He considered this re-organization necessary not only in order to render the Police in New Territories independent, except in the very extraordinary circumstances, of assistance from troops, but to maintain a desirable standard of discipline and efficiency. To give effect to these proposals an Assistant Superintendent of Police was appointed early in the year and the force in the New Territories was increased by 1 Indian Sergeant-Major in place of a 1st Class Sergeant, by 6 Indian Sergeants in place of 6 Indian Constables, and by 6 Indian Lance-Sergeants in place of 6 Indian Constables. Consequent upon the creation of the post of Assistant Superintendent of Police the post of Assistant District Officer for the Northern District has been abolished.

The increase in expenditure on the establishment resulting from the fore-going additions amounts to \$25,796 and the increase of \$9,008 in "Other Charges" is principally accounted for by them.

Prison

Provision for an additional Principal Warder has been inserted with the object of lessening the strain on the existing staff of Principal Warders caused by long periods of night duty.

Sanitary Department

Two new posts have been added to the establishment of Sanitary Inspectors, one of which is necessitated by the steady growth of new buildings and streets and the other to permit of the regular operation of the Free Passage Scheme without detriment to the Public Service. Under Special Expenditure a further sum of \$10,000 has been inserted to permit of a continuance of the policy of removal of ceilings as a plague preventive measure.

Education

The new policy of the Government with regard to Education in this Colony was fully explained by the Attorney-General when he introduced the Education Bill in this Council a short time ago, and I need only refer briefly to the changes which are rendered necessary in the estimates in order to give effect to that policy.

In view of his increased duties and responsibilities under the Education Ordinance the salary of the Director of Education has been raised to that of Class I. in the Scheme of Salaries for Cadet Officers. Provision has also been made, as required by the Ordinance, for an Inspector of English Schools and an Inspector of Vernacular Schools, the latter in place of the former Supervisor. The resultant increases in the establishment amounts approximately to \$9,800. Provision has been inserted for the establishment of a school at The Peak at a cost of \$6,543 for staff and \$2,555 for incidental expenses. The residents in the Hill District who pay rates and taxes, which go among other purposes to education, are, it is considered, entitled, like residents of other localities, to educational facilities of which they can readily avail themselves. It will not be necessary to engage a third mistress unless and until the enrolment exceeds 40 pupils. Provision at a cost of \$540 in staff and \$375 in incidentals has also been included for an English School for Indians at Kowloon, where, although the Indian population is considerable, there are no educational facilities for them. Tanglungchau and West Point Vernacular Schools have been taken over from the Chinese Vernacular Primary Education Board, which has ceased to exist.

Military Expenditure

The Defence Contribution to the Imperial Government shows an increase of \$256,194. The calculation of this item is shown in Appendix III.

Public Works Recurrent

The increases in the various sub-heads for Maintenance of Buildings are due to the growth in the number of public

buildings and to higher rates for work. The latter explanation also covers the rises in the estimates for Maintenance of Roads and Bridges in Hongkong and Kowloon. The addition of \$15,000 to last year's figure for Maintenance of the City and Hill District Waterworks is accounted for by the extra pumping and filtering necessitated by an increased consumption of water.

Public Works Extraordinary

Dealing first with the estimates for works in Hongkong, the cost of the New Stores for the Public Works Department appears as \$63,500 instead of \$46,500. In entering the smaller sum in the estimates, allowance was made for the recovery of the difference between the two amounts stated, namely, \$17,000, from the owners of certain Marine Lots on Praya East in consideration of the area at present occupied by the Public Works Department Stores being surrendered to them on such terms as may be arranged in connection with a projected Scheme of Reclamation in front of Praya East. An arrangement to this effect was come to in 1901, but, as the Reclamation Scheme has remained in abeyance, it has never matured. Hence the necessity for providing the additional sum in the meanwhile.

A further sum of \$104,500 has been provided for the erection of quarters for the accommodation of Subordinate Officers in Hongkong. It is estimated that only \$65,000 will be expended out of the sum of \$100,000 provided for the same purpose in this year's estimates.

The Low-Power Wireless Station, for which a sum of \$100,000 was provided in this year's estimates, has not been begun and the amount is therefore repeated in the estimates now before you.

The cost of the temporary building for the Survey Staff has been increased from \$2,300 to \$3,800, as it was considered advisable to provide a small fire-proof room for the storage of plans, the building itself being constructed of timber.

In the shape of new works, provision is made for a block of Married Quarters for Police Sergeants (\$20,000), Extensions of the Saiyingpun School (\$15,000) and of the Gaol (\$25,000), and the erection of a School in the Hill District (\$15,000), and smaller sums are provided for certain improvements at Queen's College and at the Civil Hospital.

The Married Quarters for the Police will be erected

on an area of Crown land, at the junction of Caine and Seymour Roads, close to No. 8 Police Station. It is proposed to proceed with the erection of one block in the first instance, which will contain 9 sets of quarters, but the site will accommodate two more blocks, each of which will contain 6 sets of quarters.

Further class-rooms are required at Saiyingpun School. This school was erected in 1891 as a one-storied building, and it then contained 3 class-rooms, each capable of accommodating 40 pupils. An extension became necessary in 1908, when an additional storey was added to the building and two class-rooms were built on at the end, thus increasing the number of class-rooms to 8 and the accommodation from 120 to 320 pupils. A further extension is now required and it is proposed to add a third storey to the original portion of the building and to build on 2 more class-rooms at the end. The building will then contain 13 class-rooms capable of accommodating about 520 pupils. This will exhaust the capabilities of the site, which is of very limited extent, containing an area of only about a quarter of an acre.

In the way of Gaol Extension, a new block, supported on pillars so as to afford covered yard-space underneath and containing 78 cells, is to be erected in the lower yard and certain portions of the existing gaol buildings are to have another storey added to them, affording 71 more cells. The capacity of the gaol will thus be increased to 739 cells, of which 17 will be Association Cells.

Allusion has already been made to the establishment of a School at the Peak. A site for the necessary building will be provided by cutting away a projecting tongue of land in front of the Government Villas and diverting a portion of the public road. This will afford as central a site as it is possible to find in a district of such irregular configuration. The school will contain accommodation for 48 pupils and quarters for two mistresses.

Turning to roads, the total estimate for the new path along the north face of the Peak from Victoria Gap to High West Gap has been increased from \$40,000 to \$55,000. This is largely due to the increase in the length of the road as

ascertained by measurement on the ground, compared with the length ascertained from the only plan available when the estimate was prepared. The actual length is 8,076 feet compared with 6,456 feet, as measured from the plan, or an increase of 1,620 feet. Work is at present confined to the first section of the road, nearly 3,000 feet in length. It is intended to undertake the remainder of the work in small sections, as its execution is attended with considerable difficulty on account of the rocky and precipitous nature of the hillside to be traversed.

Item (b) is the road for which a supplementary vote (Financial Minute 23) was taken in April last, and its construction formed one of the Conditions of Sale of Inland Lots 1,946 and 1,947, which are situated on the ridge to the east of Happy Valley.

Item (c) is for the construction of a short length of road between Aberdeen and Deep Water Bay. The existing road between the places mentioned is impracticable for motor cars on account of a sharp zigzag combined with a steep gradient, but the proposed road will be practically level and well adapted for such traffic. It forms a portion of the Victoria Road for which a scheme was prepared in 1898 in connection with the commemoration of the Diamond Jubilee of the late Queen Victoria.

Under "Training Nullahs," item (a) provides for the training of nullahs in the Kennedy Town District. The work referred to forms part of an arrangement between the Government and the owner of the lots mentioned whereby the latter surrenders to Government the area required for constructing Belcher's Street across his lot, thus converting that street into a thoroughfare. The only other item calling for comment under the heading "Drainage" is the sum of \$4,500 for draining swamps at Shaukiwan. This will complete the scheme for the drainage of the valley below and to the west of the Sywan Barracks.

Under "Miscellaneous," there are small increases of \$500 and \$700 respectively in the estimates for Sextons' Quarters at Mount Caroline and Kailungwan Cemeteries, the contracts for which exceeded the estimates. Provision is made for the installation of electric fans and telephones in several of the Government Schools and for the construction of a strong room and erection of certain necessary fittings in the Imports and Exports Office.

For "Compensation and Resumptions," the same sum is provided in next year's estimates as in the current year's, namely, \$30,000. Satisfactory progress

is being made with the removal of riding floors over the ends of some of the lanes in the Central District of the City.

Under "Water Works," the estimate for an additional Service Reservoir and Filter Beds at West Point has been increased from \$280,000 to \$310,000. This is due to the selection of a different site from that originally proposed for these works. It was proposed in the first instance to utilize an area of land to the eastward of the residence of the Principal of the University, but, in view of probable future developments of that institution, this site was abandoned. The new site is further to the west, above Pokfulam Road, entailing a considerable increase in the length of the mains which must be laid to connect with the works. It is in close proximity to the site of the new Pumping Station, where the principal part of the pumping to the Peak and High Level Districts is carried out.

The estimate for the Second Section of the Tytam Tuk Scheme has been increased from \$2,017,000 to \$2,400,000. In explanation of this increase I may mention that the contract for the construction of the dam and contingent works exceeds the estimate by \$138,681, including a sum of \$100,000 which has been provided for contingencies. It has also been considered advisable to increase the power of the pumping engine from 2 million to 3 million gallons per day and to lay two additional rising mains instead of one as originally contemplated. A number of items, not originally included in the estimate, have been charged to the vote, the principal one being resumption of the old village and cultivated lands which were situated within the reservoir area.

Kowloon

Turning now to Kowloon, provision is made for the erection of quarters for those subordinate officers whose duties lie on that side of the Harbour. A block of 8 houses is in course of erection. The work of extending the accommodation at Hunghom Police Station cannot be completed this year and provision is accordingly made for it in next year's estimates.

Under "Drainage," a sum of \$9,000 is provided for the training of nullahs in King's Park, where a considerable area of ground is rendered unfit for use on account of its swampy condition.

Under "Miscellaneous," a new item "Repairing and Coaling Yard for Government Launches" appears. It will be within the recollection of honourable members that the surrender of the present Police Camber and Yard at Kowloon Point to the Hongkong and Kowloon Wharf and Godown Co. formed part of the arrangements under which the site of the terminal station of the Kowloon-Canton Railway was acquired. Provision for a new yard, workshops and slipway is being made on the reclamation in front of Kowloon Marine Lots 29-31 (item 41), and the vote in next year's estimates is to provide for the construction of the slipway, workshops, stores and quarters.

New Territories

Provision is made for the commencement of a new Police Station at Lok Ma Chau, to the north-east of San Tin, where the Police have hitherto been accommodated in a native house. Matsheds have been erected as a temporary measure under Financial Minute No. 25, passed in May last, but it is necessary that the Police force should be accommodated here as elsewhere in buildings of a permanent nature.

The only new item of road-making for which specific provision is made is that from Tai Po to Fan Ling—item (c). This will link up communication by road from Kowloon Point with the main road constructed during recent years between Au Ha Gap, near Shataukok, and Castle Peak Bay. The construction of a short length of road from Au Ha Gap to Shataukok and of a bridge over the Au Tau Creek and the widening of certain sections of the road already made between Au Ha Gap and Castle Peak Bay will enable motor cars or other wheeled vehicles to traverse the New Territories from Kowloon Point, *viâ* Tai Po and Fan Ling, to Shataukok or Castle Peak Bay.

Under "Miscellaneous," provision is made for erecting protective fences around the Police Stations, for carrying out a small reclamation at Tai O to form a site for the proposed market and for the construction of a boathouse and slipway for the protection of the boats used in connection with Police and Harbour work.

The programme of Public Works-Extraordinary reaches the unprecedented total of \$2,130,800. The

nearest approximation to this amount was in 1905, when a sum of \$1,815,300 was provided in the Estimates for Public Works Extraordinary. Then, as now, there were several large works in progress which absorbed substantial sums. I may point out that the sums provided for the Tytam Tuk Scheme and the Typhoon Refuge alone are \$1,040,000, or practically half the total amount, whilst the Wireless Station absorbs another \$100,000.

Kowloon-Canton Railway

The earnings in 1914 of the main and branch lines of the main and branch lines of the Kowloon-Canton Railway are estimated at \$372,600, or \$53,000 more than the amount approved for 1913. The unrest which has prevailed in South China during the current year has seriously interfered with the normal development of traffic and until more settled conditions are established any considerable advance in earnings cannot be expected. Working expenses are estimated at \$271,209, an increase of \$14,810 over the amount approved for 1913, which is entirely due to expenses incidental to an increased train service.

The nett estimated result of next year's working is given in foot-note 3 on page 119, from which it will be seen that expenditure on all accounts is estimated at \$841,864 and receipts at \$372,600, leaving a deficit to be met from General Revenue of \$469,264.

The Balancing of the Budget

In framing the budget for the coming year, I have estimated for an appropriation from the accumulation of surplus balances of a sum of \$828,562. In this connection I may again remind you that it was arranged to finance the Typhoon Refuge half out of reserves and half by means of a special assessment of Light Dues. By the end of the current year it is expected that \$1,448,200 will have been expended on this work, and if the estimate of \$500,000 for next year is realised the total expenditure will by the end of that year have reached a sum of \$1,948,200. The amount payable for the period out of reserves should therefore be \$974,100. Owing, however, to a succession of annual surpluses since 1909, only the cost of the dredger purchased in 1908 for \$175,000
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1912 been so charged, and \$150,000 of this amount has since been credited to the vote and the dredger taken on charge on plant account. Taking this nett charge of \$25,000 into account and assuming that next year's estimate of \$500,000 and the anticipated deficit of \$443,897 on this year's working are realized, we shall by the end of 1914 have appropriated from reserves a total sum of \$968,897 for the refuge as against a proportionate charge of \$974,100 for the period.

The balance of \$328,000 taken from reserves may be regarded as a special appropriation for account of Tytam Tuk Second Section. That this work in the matter of urgency ranks second to none in our construction programme has been emphasized by the shortage of water which we experienced during the last dry season. I feel sure, therefore, that the appropriation made from our somewhat large accumulation of surpluses will receive your unanimous approval.

In accordance with the practice established last year a period of a fortnight will be allowed before the second reading of the Supply Bill is taken for the consideration of these Estimates, and the Colonial Secretary and Treasurer will be glad to give any information which may be desired by honourable members.

The motion was agreed to.

The Recognition of the Chinese Republic

HIS EXCELLENCY—I think it will be in accordance with the wishes of hon. members if I refer to the information which I have received officially from Peking, namely, that Yuan Shih-kai was elected President of the Chinese Republic on the 6th October, and that to-morrow the great Powers, including Great Britain, will formally accord recognition to the Republic. I feel sure that this event will be received with great satisfaction in this Colony, and it is to be hoped that no further untoward incidents may impede the Chinese Government in its task of maintaining peace and order, or endanger the steady progress of the country.

Council stands adjourned until the 23rd October.

FINANCE COMMITTEE.

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

Telegrams

The Officer Administering the Government recommended the Council to vote a sum of \$3,000 in aid of the vote Miscellaneous Services, Telegraph Services, Telegrams sent and received by Government.

Temporary Quarters for Scavengers

The Officer Administering the Government recommended the Council to vote a sum of \$3,900 in aid of the vote Public Works, Extraordinary, Hongkong, Buildings, Temporary Quarters for Scavengers.

Police and Prison Departments

The Officer Administering the Government recommended the Council to vote a sum of \$1,250 in aid of the vote Police and Prison Departments, C.—Prison, Other Charges:—

Clothing and Shoes for Staff	\$600
Fuel and Soap	500
Incidental Expenses	150
	Total
	\$1,250

The Officer Administering the Government recommended the Council to vote a sum of \$24,750 in aid of the vote Police and Prison Departments:—

A.—Police, Other Charges:—

Arms and Ammunition	\$5,400
Clothing and Accoutrements	2,500
Coolie Hire	300
Good Conduct Rewards	350
Incidental Expenses	350

Launches and Boats:—

Repairs	5,000
Stores	1,000
Secret Service	3,000
Transport	4,500

B.—Fire Brigade, Other Charges:—

Coal and Oil Fuel	750
Light	100
Repairs to Engines and Plant	1,500

	Total
	\$24,750

Public Works

The Officer Administering the Government recommended the Council to vote a sum of \$5,900 in aid of the vote Public Works:—

Public Works Department.

Other Charges.

Drawing Materials and Mounting Plans \$ 900

Public Works Extraordinary.

Hongkong Buildings.

Underground Trough Closet near Fire Brigade Station	5,000
Total	\$5,900

The Officer Administering the Government recommended the Council to vote a sum of \$15,300 in aid of the vote Public Communications, Roads:—

(a) San Tin-Au Tau	\$10,300
(b) Kam Tin-Au Tau	5,000
Total	\$15,300

Grants in Aid of Scientific Institutions

The Officer Administering the Government recommended the Council to vote a sum of £150 in aid of the vote Miscellaneous Services, Grants in aid of Scientific Institutions, Contribution to the Endowment Fund of the London School of Tropical Medicine.

THE CHAIRMAN—The Secretary of State sent out a despatch, which he has also sent, I believe, to all the Colonies concerned, in which he expresses his appreciation of the services rendered to the Colony by the College, which requires additional funds in order to enlarge its sphere of usefulness. Several sums, amounting to some £65,000, have already been raised almost entirely from private sources. The Secretary of State considers that the Colonies, for whose benefit it is erected, might well make a contribution towards it, and Hongkong has been put down for £150. The contributions from other Colonies rise as high as £500, so Hongkong has got off, I think, rather cheap.

HON. MR. HEWETT—We are getting very good value for our money.

Loss on Subsidiary Coins

The Officer Administering the Government recommended the Council to vote a sum of \$158,614 in aid of the vote Miscellaneous Services, Loss on Subsidiary Coins.

THE CHAIRMAN asked the Colonial Treasurer to explain this vote.

THE COLONIAL TREASURER—It will be necessary to go back to 1911 to explain this. In that year the Government temporarily gave up the policy of sending coins home, so in 1912 a sum of \$60,000 only was voted, that is, the difference between the face value and the market value. Again, in 1912 \$60,000 was voted for the year 1913. At the end of 1912 the Government decided that they would demonetise the large stocks which they held, and in November they sent home \$1,040,000, and lost on that roughly \$145,000. In the present year we have already shipped \$840,000 in three shipments. There was a total loss this year of \$136,000, which, with \$82,000 last year, gives a total of \$218,000, and taking off the vote for last year of \$60,000 it leaves the balance as shown in the minute.

HON. MR. SHELLIM—How much more have you got to deduct?

THE COLONIAL TREASURER—It is difficult to say. There is a sum of \$36,000,000 out, a great deal of which will not come back. A new Ordinance comes into force in March, which, it is hoped, will reduce the necessity of bringing any of these coins back.

HON. MR. HEWETT—When we demonetise all foreign coins, how many millions will you require

THE CHAIRMAN—\$2,000,000 will be quite ample.

HON. MR. HEWETT—I know a very large quantity of coins have been melted down and made into ornaments.

Miscellaneous

The Officer Administering the Government recommended the Council to vote a sum of \$4,700 in aid of the vote Public Works, Extraordinary, New Territories, Miscellaneous, Miscellaneous Works.