

VOTES AND PROCEEDINGS OF THE LEGISLATIVE COUNCIL OF HONGKONG.

NO.2 OF 1880.

THURSDAY, 12TH AUGUST, 1880.

PRESENT:

His Excellency Governor Sir JOHN POPE HENNESSY, K.C.M.G.

The Honourable the Chief Justice,— Sir JOHN SMALE.

The Honourable the Acting Colonial Secretary,—Dr. FREDERICK STEWART.

The Honourable the Attorney General,—EDWARD LOUGHLIN O'MALLEY.

The Honourable the Acting Treasurer,—MALCOLM STRUAN TONNOCHY.

The Honourable PHINEAS RYRIE.

The Honourable WILLIAM KESWICK.

The Honourable JOHN MACNEILE PRICE.

The Honourable NG CHOY.

The Council meets this day at 2.30 P.M., by Special Summons.

The Minutes of the Council held on the 26th February, 1880, are read and confirmed.

The Governor reads the Despatch No. 134 of 3rd October, 1879, in which objection is taken to the power of flogging prisoners vested in the Superintendent of the Gaol by Ordinance No. 4 of 1863.

His Excellency stated that on the receipt of this despatch he consulted the Executive Council on the exceptions taken by Her Majesty's Government to some of the provisions of Ordinance No. 4 of 1863, and Mr. TONNOCHY, the Superintendent of the Gaol, having reported that the time has come when he might be relieved of the task of sentencing prisoners to corporal punishment, the Attorney General was requested to prepare the Ordinance now laid before the Council.

The Bill was then read a first time, and is entitled *The Prison Regulation Amendment Ordinance*, 1880.

The following Bills are read a first time, and, by direction of His Excellency, they are explained *seriatim* by the Honourable the Attorney General; namely:—

- (1.) A Bill entitled *The Merchant Shipping Consolidation Ordinance Amendment Ordinance*, 1880.
- (2.) A Bill entitled *An Ordinance to make temporary provision for securing the status of French Mail Steamers within the Ports of the Colony of Hongkong*.
- (3.) A Bill entitled *The Emigration Ordinances Amendment Ordinance*, 1880.
- (4.) A Bill entitled *An Ordinance to amend Ordinance No. 9 of 1857*.

The Governor laid before the Council for the first reading an Ordinance for the naturalization of Dr. EITEL, the Inspector of Schools and Acting Chinese Secretary, as a British subject.

The Bill was read a first time, and is entitled *An Ordinance for the naturalization of Ernest John Eitel, Master of Arts, Doctor of Philosophy, Inspector of Schools, &c.*,

&c.

His Excellency lays on the table statements of certain items of Expenditure approved of by the Finance Committee in excess of the Estimates for the year 1879 and 1880, and the same having been explained by the Acting Colonial Secretary, the following sums are voted and ordered to be placed in the Supplementary Estimates for the respective years of 1879 and 1880: —

PAYMENTS AUTHORIZED IN EXCESS OF THE ESTIMATES OF 1879,
REQUIRING LEGISLATIVE AUTHORITY

ESTABLISHMENTS.

Governor.

S. of S. Desp. No. 105 of 15th Aug., 1879. Allowance to Governor for Entertainments, lighting Government House, &c., increase from \$1,440 to \$4,800 per annum,..... \$ 3,360.00

Colonial Secretary.

Salaries, tuition and books for 2 Cadets in England, \$ 684.50

Auditor General.

C.S.O. No. 964 of 1879. Salary of a Temporary Clerk, from 7th April to 30th November, at \$100, \$ 780.00
Contingencies, — Printing *Government Gazette*, English and Chinese excess, 751.49
Printing Documents, Forms, &c., for all Departments, excess,..... 634.84
Stationery for Offices and for printing for all Departments, excess,..... 1,645.44
Coals for all Departments, excess, 283.77
\$ 4,095.54

Judicial.

C.S.O. Nos. 2165 & 1431 of 1878. Salary to Assistant Interpreter (Mr. BALL),..... \$ 1800.00
Salary to Clerk to the Registrar, 480.00
S. of S. Desp. No. 27 of 8th March., 1879. Contingencies, — Books and Incidental Expenses, excess, 800.00
\$ 3,080.00

Medical.

Salaries to Extra Ward Masters and Staff for the Lunatic Asylum, and Small Pox Hospital, excess \$ 340.69

SERVICES EXCLUSIVE OF ESTABLISHMENTS

Judicial.

Administration of Justice, Council Fees, &c., excess, \$ 66.90

Gaol.

Provisions for Prisoners, excess, \$ 1,955.92
 Lighting the Gaol, excess, 245.37
 Incidental Expenses, excess, 229.28
 \$ 2,430.57

Fire Brigade.

Expenses consequent on the great fire in December, 1878, being gratuities to Volunteers, repairs to Engine, Hose, &c., excess, \$ 1,817.48
 Steam Fire Engine, Hose, &c., received from England, excess, .. 1,805.93
 \$ 3,623.41

Transport.

Passage Allowance to Officer, excess, \$ 184.35

Works and Buildings.

C.S.O.
No.2094.

Sanitary improvement in Aberdeen Police Station, \$ 300.00

Miscellaneous Services.

Furniture for Government House (\$5,000 voted in 1878 not paid), \$ 6,245.84
 Expenses in consequence of the great fire in December, 1878, .. 935.50
 Printing 300 copies of the Report of the Commission on Contagious Diseases Ordinance, 2,809.12
 Colonial Defence, — Expenses connected with the Volunteer Corps, 1,533.14
 \$ 11,523.60

Land and Houses purchased.

C.S.O.No.
1571 of 1878.

Purchase of a Chinese House at Sam-shui-po in British Kowloon, for a School House (Revote of 1878), \$ 80.00

Military Contribution.

Excess over the amount estimated, on account of low rate of Exchange, \$ 5,406.95

PAYMENTS AUTHORIZED IN EXCESS OF THE ESTIMATES OF 1880,
REQUIRING LEGISLATIVE AUTHORITY.

Colonial Secretary.

C.S.O. No.2979 of 1879	Salary of the Student Interpreter (Mr. LOCKHART), from 2nd October to 17th November, at \$50 per month, and from 18th November to 31st December, 1879 at \$100 per month,.....	\$ 220.05
S.of S. Desp. Nos. 4 & 6 of 4 th & 11 th Jan, 1879.	Allowance for Chinese Teacher, November and December, at \$14.....	28.00
	Rent for quarters from 18th Nov. to 31st Dec., at \$45 per month,.....	64.50
	Arrears,	312.55
	Salary for 11 months of 1880, at \$100 per month,.....	1,100.00
	Allowance for Chinese Teacher, 11 months, at \$14,	154.00
	Rent for quarters, 11 months, at \$45 per month,.....	495.00
		\$ 2,061.55
	<i>Deduct</i> — Amount estimated for 1 Cadet in England,	480.00
		<u>\$1,581.55</u>

Colonial Treasurer.

C.S.O. No.71.	Extra pay to the 2nd Shroff, for collecting Civil Hospital Bills, \$10 per month, from 22nd January, 1880,	\$ 103.22
------------------	---	-----------

Educational.

C.S.O. No.65.	Extra Teacher of English for Shau-ki-wan School, at \$20 per month, from 1st February, 10 months,	\$ 200.00
C.S.O. No.498	Grants-in-aid, — Supplementary Vote,	\$ 400.00

(Several Schools were accepted under the Grants-in-aid Scheme, after the
Estimates for 1880 had been prepared)

Judicial.

C.S.O. No.492	Extra pay to Mr. RUSSELL, from the undrawn pay of Attorney General in 1879,	\$ 425.43
------------------	--	-----------

Medical.

C.S.O. No.3231 Of 1879.	Chinese Clerk in Civil Hospital, increase of pay at \$2 per month,	\$ 24.00
	(There has been a kind of engagement to pay this annual increase).	
C.S.O. No.645	Rent of quarters for the Apothecary of the Lock Hospital, at \$15 per month, from 1st April,.....	120.00
		<u>\$ 144.00</u>

Police.

C.S.O. No.1213.	Bedding, — Blankets, excess,.....	\$ 576.00
--------------------	-----------------------------------	-----------

Miscellaneous Services.

S.of S. Desp. No.2 of 15th Jan.	Grant to the Widow and Children of the late Revd. Mr. KIDD, Colonial Chaplain, towards the expenses of passage to England, £ 100 at 3/9,.....	\$ 533.00
---------------------------------------	---	-----------

Pensions and Gratuities.

C.S.O. No.484.	Gratuity to Mr. MILLS, late Postal Agent at Hiogo, on closing the Agency at that port,	\$ 144.00
-------------------	---	-----------

Works and Buildings.

C.S.O. No.2744.	Temporary Small Pox Hospital (\$1,507, Revote of 1879),.....	\$ 2,009.00
	Conversion of the Lock Hospital into a Civil Hospital,.....	15,000.00
		\$ 17,009.00

The Acting Colonial Treasurer, by direction of the Governor, lays on the table a Bill to authorize the appropriation of a Supplementary Sum of Fifty-one thousand Seven hundred and Seventy-seven Dollars and Ninety Cents to defray the charges of the Year 1879. The Bill is then read a first time.

The Governor moved for the first reading of the Appropriation Bill for the Year 1881, and in doing so, HIS EXCELLENCY made the following statement: —

Owing to the activity of my honourable friend Dr. STEWART, I am able to move the estimates for 1881 at a somewhat earlier period than usual. This, gentlemen, is the fourth occasion on which I have had the satisfaction of laying estimates before you. When I arrived in Hongkong I had to consider carefully the state of finances. At that time the revenue of the Colony which was laid before me in April, 1877, had reached \$885,000. Included in that revenue was a considerable sum for land sales, and the first time that I had the honour of addressing you I pointed to the fact that the sales of Crown land ought not to be treated as ordinary revenue. The sale of Crown land, especially in a small Colony like this, is actually selling a portion of our capital. What we should consider as land revenue is the increment of increase in the value of land with the progressive prosperity of the Colony. In the statement for 1876 laid before me by Mr. GARDINER AUSTIN there was a considerable sum put down as premia on land sales; if I mistake not, a larger sum than that obtained in the land sales of the Colony for the last three years. However that may be, my attention was more particularly drawn to the fact that whilst the revenue was \$885,000 the expenditure was \$902,000; in other words, there was a deficit, and it became my duty to be extremely careful with respect to the finances of the Colony. You are, no doubt, aware that for the three years past, that is, 1877, 1878, and 1879, we have not had any deficit. On the contrary, I find that during these three years we have had a total surplus of \$206,000 added to our balances from Colonial revenue, being an average on the three years of \$68,000 a year. With respect to the past year, 1879, the audited accounts of the revenue and expenditure of the Colony for that year were printed in the *Gazette* in April last. You will perceive from these that the revenue was stated by the auditor to have amounted to \$964,000 and the expenditure to \$926, 000,

leaving a surplus in round figures of \$37,000. Now the \$926,800 of expenditure included a considerable outlay upon the Police Force, the increase being \$10,830. I am sure no gentleman in the Council now regrets having voted the requisite sum to enable me to lay out upon the Police Force of the Colony that additional amount. I find also there is an increase of about \$4,000 for educational purposes, and that also, I think, no one would be disposed to regret. I have also sanctioned an increase in 1879, over the preceding year, for fire brigade, of \$2,800. The cause for that every one is familiar with. In the office of the Surveyor-General and his establishment I have sanctioned an increase of \$1,618 in the year 1879; and I may say, having mentioned that, that the roads, street, and bridges in this Colony have been kept in the year 1879 in most admirable order, and whatever public works have been undertaken, I think have been done to our satisfaction. But this brings me to an item which is present perhaps to the minds of some of my friends but which does not appear upon these accounts. Did the Surveyor-General do nothing in the year 1879 except to keep the roads, streets, and bridges and ordinary public works of the Colony in good order? He undertook, as you are aware, a new Lock Hospital, which we have found useful for general purposes; other minor works were undertaken, but during the year 1879 the Surveyor-General expended a considerable sum—it is not stated in this return, but it amounted to something over \$150,000—on the repairs to the Praya wall. And in mentioning this I must not conceal from you the fact that there is a difference of opinion as to the accuracy, as it were, of this return,—that is, some maintain that this being a return of the expenditure of the Colony of Hongkong during the year ended 31st December, 1879, it ought not to contain the expenditure on the Praya wall, and it is argued that that expenditure is extraordinary expenditure, that it is special expenditure, and that therefore it ought not to appear in this return. I am bound to say that those who take that view of the case are very high authorities. To begin with, the Auditor-General, Mr. MARSH, who is now absent from the Colony, I assume he takes that view, for the figures do not appear in the returns as audited by him, and I am aware of the fact that other very competent authorities agree with that view, and it is supposed that that expenditure ought not to appear in this account, on the ground that in fact it is taken from one of our balances, and will in process of time be regained by that balance. Well, I have myself, I confess, taken the opposite view. It is simply a question of account, and it only comes to this, that in the statement I am making to you I should prefer that you would consider the actual fact, that though the expenditure of the Colony of Hongkong is returned here as only \$926,867 in the year 1879, it amounts to \$152,000 more that was actually expended on the Praya wall. And as a mere matter of business which concerns my own department, in dealing with our finances I take that view, for this reason, that I have to act in everything relating to finance under what are called the Treasury instructions to Governors. Those are instructions issued for the guidance of Governors in Crown Colonies, and they entail upon Governors certain duties of extreme importance with respect to checking, overlooking, and controlling expenditure. And in those instructions, as it seems to me to prevent the possibility of an extraordinary or special expenditure being treated in an extraordinary or special manner and not according to ordinary routine, there is a clause to the effect that from the date of those instructions no such words as "extraordinary expenditure" or "special expenditure" shall be used, and any expenditure whatever that is incurred from month to month must come before the Governor in proper requisitions, and being sanctioned by him can then be incurred. The result of it all is that I shall reprint this return in the *Gazette*, appending to it a note in which I shall state for the information of the Council and public generally the

exact amount of expenditure in 1879 upon the Praya works, and the amount of money borrowed from our balance of the special fund, and when that is done honourable members will have before them, as it seems to me, the real expenditure of the Colony in the year 1879. Now, gentlemen, in moving the estimates in the month of August I am in a position to congratulate you on the fact that the returns furnished to me by my honourable friend the Acting Colonial Treasurer, Mr. TONNOCHY, show that our estimates of revenue for 1880 were sound estimates, and I may say, speaking generally, that our estimates of revenue have been exceeded. My honourable friend has just handed to me a still more recent return than that to which I was about to refer. Here, now, is our comparative statement revenue and expenditure for 1879 and 1880 up to the end of last month. Without troubling you with all the details, I may briefly inform you that the total receipts from 1st January to the 31st July, 1879, amounted to \$571,000. Comparing that period with seven months of this year, I find \$627,600 showing a considerable increase in the revenue of this year as compared with that of last year. Taking the total estimate of revenue for the year 1880 and comparing that total estimate with what we have now obtained, there is very little doubt also that in all the great items of revenue, those especially which show the prosperity of Hongkong, there will be a considerable increase. In our police, lighting, water, and fire brigade rates there is a large increase. In an item which is of great interest to commercial men, that is the stamp revenue, I find an increase. The estimate for stamps for 1880 was \$115,000. Well I have here the sum we have obtained. If it continues for the rest of the year, as I have every expectation it will, it will bring up that revenue to \$125,000, being \$10,000 more than estimated. And I may mention, in touching upon this, that as compared with 1879, and especially the earlier part of 1879 and later part of 1878, there is one item in which the stamp revenue shows a decline, and that is in the stamps on share transfers, but I don't regret the fact. We find an increase on the stamps for marine policies of insurance, bills of lading, bank notes, and those more healthy signs of real commercial business. I don't regret the fact that there is a difference, I think amounting to \$4,000 upon the stamps on the transfer of shares. On the whole of our revenue there is a considerable increase. Therefore, gentlemen, I have now to move the first reading of the estimates, and we will discuss them at our next meeting. I may tell you that the estimate of revenue which my honourable friend the Colonial Treasurer has prepared, and which I entirely accept, amounts to over \$1,070,000. The expenditure I hope, with your assistance, to keep at something like \$980,000, which will give us something like \$90,000 of a surplus. The details will come before you in the usual form of printed estimates, and after the proper time elapses which is laid down in our rules, I will move the second reading of the Appropriation Ordinance and the estimates, and on that occasion I need hardly say I shall be most happy to receive from my honourable friends on the Colonial any suggestions they may choose to make. I can only say, gentlemen, that if it be my happiness for two or three years more, with the Queen's permission, to submit estimates to this Council. I trust they may show similar evidence of our commercial prosperity.

The Bill was then read a first time, being *An Ordinance to apply a sum not exceeding Eight hundred and Forty-seven thousand Four hundred and Fifty-four Dollars to the Public Service of the Year 1881.*

His Excellency adjourns the Council at 4.45, *sine die.*

J. POPE HENNESSY,
Governor.

Read and confirmed, this 31st day of August, 1880.

J.M. D'ALMADA E CASTRO.
Acting Clerk of Councils.