

25TH FEBRUARY, 1892.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, Sir WILLIAM ROBINSON,
K.C.M.G

Hon. W. M. GOODMAN, Acting Colonial Secretary

Hon. A. J. LEACH, Acting Attorney-General.

Hon. J. H. STEWART-LOCKHART, Registrar-General.

Hon. N. G. MITCHELL-INNES, Colonial Treasurer.

Hon. F. A. COOPER, Surveyor-General.

Hon. W. C. H. HASTINGS, Acting Harbour Master.

Hon. C. P. CHATER.

Hon. HO KAL.

Hon. J. J. KESWICK.

Hon. T. H. WHITEHEAD.

Hon. E. R. BELILIOS.

Mr. A. M. THOMSON, Acting Clerk of Councils.

MINUTES.

The minutes of the last meeting were read and confirmed.

THE LATE HON. P. RYRIE AND THE
APPOINTMENT OF HIS SUCCESSOR.

HIS EXCELLENCY—Gentlemen, I have the honour to inform you that by the lamented death of the late Mr. Phiness Ryrie a vacancy has occurred in this Council to which I have appointed Mr. E. R. Belilios. Mr. Ryrie was much better known to all of you than to me, though I had the pleasure of making his acquaintance twenty years ago. I have always understood and have reason to believe that he was one of the ablest and most independent members that ever sat at this board. I need not justify my appointment of Mr. Belilios. (Applause.) He has been in Hongkong for the last thirty years and that he has the interests of the Colony at heart is shown by his many munificent gifts for the promotion of education. I have no doubt his selection will be a popular one and that he will justify the selection I have made. (Renewed applause).

The Hon. E. R. BELILIOS then took the oath and his seat at the Council table.

Hon. C. P. CHATER—As probably the oldest resident in this colony who sits on the Council, I rise to supplement the remarks made by your Excellency regarding the lamented death of our friend and colleague, the late Mr. Ryrie, which will be felt as a loss by every section of the community. Speaking of him more especially as a member of Council, we all know Mr.

Ryrie first took his seat in 1867, and from that time sat continuously until his death, during the whole of which lengthy period he held the proud record of having always commanded the fullest confidence and respect of his fellow-citizens. Ever to the fore in every movement which he thought might result in the Colony's good and ever ready to champion what he thought was the right, Mr. Ryrie was a Colonist of whom Hongkong might indeed feel proud. Continued long residence here and consequent ill health had of late greatly enfeebled him and he was no longer able to give such practical manifestation of his keen interest in our local politics, but when we look back upon his long record of faithful service and when we contemplate the benefits that have accrued to the colony therefrom we may well deplore the loss of one of our oldest and most prominent citizens and an upright and honourable man.

PAPERS.

The following papers were laid on the table:—Report on the Junk Trade for 1891; Returns of Arrivals (shipping) for 1891; Report of the Acting Captain Superintendent of Police for 1891; Report of the Commission appointed by Major-General Barker to consider the system of Quarantine and Quarantine Regulations as applicable to the Port of Hongkong; Report of the Acting Superintendent of Victoria Gaol for 1891; and Report of the Government Central School for Girls for 1891.

FINANCE.

Three financial minutes were laid on the table and were referred to the Finance Committee.

THE ATTORNEY -GENERAL'S IP.

The minutes of the proceedings of the Finance Committee at a meeting held on the 23rd January were laid on the table.

The ACTING COLONIAL SECRETARY moved that the votes recommended by the Finance Committee be passed by the Council.

The COLONIAL TREASURER seconded.

Hon. T. H. WHITEHEAD—With your Excellency's permission I would suggest that consideration of the minute of the 22nd January relating to the Attorney General's salary be postponed pending the reply to a question I wish to ask, namely, "Will the Government lay on the table copies of the correspondence connected with the alteration in the position of the Attorney-General by which he was deprived of private practice?" I ask the question because I do not think the unofficial members are acquainted with the reasons and the grounds which brought about the change.

HIS EXCELLENCY—There is no objection on the part of the Government to lay the correspondence on the table; the only question is whether it is worth while printing it. I believe it is part of the settled policy of the Colonial Office

that all Attorneys-General shall cases to enjoy private practice. I can only say that during my eighteen years' administration of Colonial Governments I have seen that policy pursued in the cases of Bahamas, Barbadoes, and British Guiana, and I know that on the next vacancies occurring the same change will be made in Trinidad and Jamaica. I think it would save trouble if Mr. Whitehead would refer to these papers and take any extracts he likes, instead of our going to the trouble of printing them.

Hon. T. H. WHITEHEAD intimated that he would be satisfied with a perusal of the correspondence and did not desire that it should be printed.

The vote relating to the Attorney-General's salary was therefore passed, the other votes recommended by the Finance Committee being passed without discussion.

NEW BILLS.

The following bills were read a first time:—"An Ordinance to consolidate and amend the Law relating to the grant in this Colony of Letters Patent for Inventions," "An Ordinance to make further provision as to the issue of Night Passes for Chinese," and "An Ordinance to amend Ordinance No. 3 of 1860, No. 15 of 1885, and No. 17 of 1891 in relation to the power of the Governor in Council to grant certain licences."

JURY LIST.

The Council then proceeded to consider the Jury List with closed doors.

ADJOURNMENT.

HIS EXCELLENCY said he would adjourn the Council till Monday, 14th March, as there did not appear to be any pressing necessity for an earlier meeting.

FINANCE COMMITTEE.

A meeting of the Finance Committee was afterwards held, the Acting Colonial Secretary presiding.

PILLAR LETTER BOXES:

The CHAIRMAN—I may mention to hon. members that with regard to the pillar boxes which were mentioned at a recent meeting, I have referred to the Postmaster-General to ascertain his views. He has sent me a letter containing his suggestions. It is not an official communication, and was merely sent in reply to my letter asking him for some information. He says:—"With regard to the pillar boxes. I think five had better go to the Peak to replace the wooden ones. I should place them as follows:—Magazine Gap, Plantation Road, the Church, Mount Kellett, and Tram Station. These would be cleared twice a day, namely, 12.30 and 4 p.m. I should place one at Kowloon at the Wharves, which would be cleared at 12 and 4 p.m. With regard to the town we have already two pillar boxes, one at the Harbour Master's office and the other at West Point. The six remaining new boxes I should suggest be distributed

as follows:—Eastern Market, Tramway Station, Albany Seymour Terrace, Richmond Terrace, and Caine Road near the Italian Convent." That, gentlemen, is the letter I have received from the Postmaster General. That is really all I know about it. If any hon members wish to make any suggestions I shall be very happy to communicate with the Postmaster-General.

AN INCREASE OMITTED.

The CHAIRMAN—The first vote is for a sum of \$44. The Governor recommends the Council to vote a sum of \$44 to cover the increase to the salary of the Clerk and Interpreter to the Magistrat acting as Coroner, being 20 per cent. over his pay, from 1st February, 1892. I may explain that when the scheme of increased salaries came on this case was overlooked. It has been referred to the Secretary of State, and he thought that he should have the increase. He is only placed in the same category as those who have got 20 per cent. increase. The increase will be paid from the 1st February, 1892.

Vote passed.

A NEW OFFICIAL.

The CHAIRMAN — The Governor recommends the Council to vote a sum of two thousand eight hundred and eight dollars, for the salary and allowance of a temporary Surveyor, whose work is to be in connection with the surveys and information required for the Squatters Board. Salary per annum, \$2,520.00; allowance for chair \$288.00 —total, \$2,808.00. It will be in the recollection of the Council that the Council appointed a special Board, of which, I believe, Mr. Justice Fielding Clarke is the president, and that Board was to consider the claims of squatters in various villages and see what could be done in dealing fairly with them giving those who had good claims some sort of title, and preventing those who had no claim raising claims by their squattings. We had to wait until Mr. Clarke returned, and now the Surveyor-General's Department require someone to do this work specially, and it is proposed to appoint Mr. James Sampson to give his whole time to this in order to prevent undue delay in the sittings of the Board. Mr. Cooper can tell you anything about the matter which you want further explaining, but it was thought a visable, to prevent delay, that this gentleman should be immediately appointed to do the work, and do nothing else. It is proposed that his salary should be \$2,520, with \$288 allowance for chair.

Vote passed.

THE VOTE FOR DEFENCE WORKS.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$26,937.57, the equivalent of £3,928.711 at 2/11 the dollar, due to the War Department out of the sum of £116,000 contributed for defence works. It will be in the recollection of the members of the

Committee—those members, at any rate, who were here some years ago—that the defence works were undertaken in 1884, a certain sum being voted for them. A larger sum than was voted at that time became necessary and the Secretary of State suggested that this should be voted by the Council. In 1886, you will find, if you look at the estimates for the year, that the Council approved of the devotion of £116,000 to that work of defence. Of course it became necessary from time to time, to pay instalments as the money was spent and the indents came from the War Department. When the estimates for 1890 were being prepared, the sum of \$20,000 was inserted, it being supposed at that time that that would be the balance of the original amount. Early in 1891, however, the Military Authorities sent in a claim amounting to \$5,082.92. That sum was paid, and it then appeared from the indents submitted by the Military Authorities that the whole of the £116,000 had been paid. I say appeared, for it was afterwards proved that we had made a mistake, though it would actually have been paid if the rate of exchange had been what we expected it to be. In March, 1890, the Military Authorities sent in further indents, and we informed them that the whole of the £116,000 had been paid. They then demurred on the question of exchange, the question really being, ought these payments that have been made from time to time in this series of years to have been made at the Treasury rate, or at the rate of exchange obtaining at the date of payment? The Colonial Authorities maintained that it should have been paid according to Treasury rate; the Military Authorities demurred at that. The Military Authorities referred to the Secretary of State for War and the Colonial Authorities to the Secretary of State for the Colonies, and the question was ruled against us. The result is that, to complete the balance of £116,000, it will be necessary to vote this balance of £3,928.711. You will see it is described in the minute as \$26,937.57, the equivalent of £3,928.711 at 2/11 the dollar due to the War Department out of the sum of £116,000 contributed for defence works. When that sum is paid it will have to be included in the Supplementary Appropriation Bill for 1892, because of course it must be paid this year, and will have to be legalised in the Supplementary Bill for this year. But what I want to make quite clear to you is the fact that when we have to come to you with the Supplementar. Bill for last year, to complete the accounts for 1891, we shall have to bring before you the sum of \$20,005.45. The reason of that is that this sum was paid pending the decision on the question of exchange, and pending the fixing of the exact amount which would be the balance due. The Secretary of State directed that the work should go on. The sum was put
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and only part was used, and of course the lapsing portion of the vote will merely be a revote. I only mention that. I am not asking you to decide anything about it at the present moment. When the Supplementary Bill for last year comes on it will be necessary, in order to put the accounts in proper order, to then ask you for that sum. This amount will complete the £116,000 which was approved in the estimates for 1886. If the authorities had given their ruling on the point the other way and decided that the money should be paid according to the Treasury rate, then it would all have by this time been paid. But as the question is decided by the Authorities the other way, we can only pass the vote. The Secretary of State. I may add, has written asking that the sum be paid before the end of March.

Hon. T. H. WHITEHEAD—Can you give us an idea as to how much will have been spent in all in dollars when the final amount is determined? It seems to me that there has been some gross mismanagement on the part of some one, resulting in the ratepayers of Hongkong having to pay a great deal more than was necessary. When the payments were made the Exchange rate should have been fixed at the time and at the rate of the day the money was disbursed.

The CHAIRMAN—I was not here at the time the money was originally voted, but I can only say this, that it appears a certain amount of £116,000 was to be contributed and that that sum will be completed by this payment which I am asking should be now voted, with the \$20,005.45 paid which will have to be brought before you to make last year's accounts right, the difference between what we supposed would be the amount and what is the actual balance is purely a matter of exchange. The difference between the exchange rate and the Treasury rate is the difference which we are asked to pay.

Hon. T. H. WHITEHEAD—This colony will, I presume, have to pay the equivalent of £116,000 and nothing more?

The CHAIRMAN—Nothing more. The difference is entirely accounted for in the difference of exchange rate. The Secretary of State points out to us that payments to the War Department cannot be made at Treasury rate but must be made at the rate of exchange.

Hon. T. H. WHITEHEAD—It is clear that the colony was to pay a certain sum of sterling money. They have paid from time to time in dollars, and the result is that by the fall in exchange the colony is a serious loser. The exchange must have been 10 or 12 per cent. higher than it is this year. What I wish to point out is that by this delay in the settling of the exchange the colony has had to pay heavily.

The CHAIRMAN—We had a very hard light for it and we did the very best we could in trying to get the Treasury rate of exchange, but the Secretary of State won't have it and we have to pay the other rate. The War Department and the Secretary of State together decide that it must be at the rate of the day, and now it is purely a matter of account.

The REGISTRAR-GENERAL—Is it the rate of the day now or the rate of the day when the payment was made?

The CHAIRMAN—When each payment was made.

Hon. T. H. WHITEHEAD—How the Treasury can go back on their own indents, which are at the Treasury rate, I don't know.

The CHAIRMAN—The Secretary of State says they ought not to have sent in those indents. I cannot alter the facts, gentlemen, the result is that the balance is so much, which we have to pay. I have put the matter as fully and as clearly as possible and I have to ask the Council to pass this vote.

Hon. T. H. WHITEHEAD—Which department is responsible for this blunder?

The CHAIRMAN—Perhaps the Colonial Treasurer could tell us something about the matter.

The COLONIAL TREASURER—The matter has not been referred to me to answer, but as I understand the case the war Department sent us in their indents computed at the Treasury rate of exchange according to the usual way in which they keep their accounts. When we got to the end of the payments at their rate of exchange we told them so. They then turned round and said, "No, this has simply been done for the convenience of our department and the amount still owing is so much." Mr. Fleming, I know, fought for the Treasury rate and said that the War Office having fixed their own rate ought not to go behind it. But they still said, "No, we only did it for the convenience of our office to suit our own books." The question was fought before the Secretary of State for the Colonies, and as I understand it (speaking from memory) we shall have to pay the equivalent of this sum in dollars calculated at the time the payments were made.

Hon. T. H. WHITEHEAD—It appears to me that this is a very serious muddle, and before passing the vote I think we ought to have the fullest and proper information.

The CHAIRMAN—There is no more information to be given as far as I am aware. I have endeavoured to put the matter very clearly before you. There is nothing further to be done. We have to pay this sum of £116,000. We thought we had paid it, and the question is, have we paid it? The Secretary of State for the Colonies and the Secretary of State for War say we have not. I may add that in July, 1890, the Secretary for the Colonies stated that "he was informed by Mr. Stanhope that the figures of the contribution for defence shown in dollars a??re??d in the Military and in the Colonial records, but in converting the dollar expenditure into sterling the military authorities have taken the market rate of exchange at the dates concerned, while the Colonial Government has used the Treasury rates. I c o n o u r w i t h M r .

Stanhope in thinking that the former of these computations should be adopted in the present case." The Secretary of State new communicates to us and says that this amount must be paid before the end of March in order that their accounts may be completed. I must ask you to pass this vote.

Hon. T. H. WHITEHEAD—I think it would be very interesting to hon. members to have an account laid before them in connection with this £116,000, the statement to give the dates of each payment in dollars, the amount of dollars, the rate of exchange of the day, the Treasury rate of exchange, and the amounts of sterling at both rates. We should then be in a much better position to deal with the vote. As it is at the present moment we are groping in the dark as it were.

The REGISTRAR-GENERAL—As it is evidently desirable that this Committee should have an opportunity of studying the details of this matter and of seeing a statement of account. I suppose there will be no objection to holding over the vote until the figures are supplied. The Finance Committee can meet again before the next meeting of the Council, and in the meantime hon. members will have had an opportunity of seeing the figures.

The CHAIRMAN—I don't see what advantage we can get in showing each separate item that has been paid during all these years. The Secretary of State requires this amount before the end of March and it is my duty to get that amount voted before then. Delay appears to me to be unnecessary.

Hon. T. H. WHITEHEAD—I think it is quite possible that if we get the information before us we might make a representation to the Secretary of State which might cause Lord Knutsford to change his views.

The CHAIRMAN—I do not think that can be done. Mr. Fleming did everything that could be done.

Hon. T. H. WHITEHEAD—If we could convince him it might have a very great effect.

The CHAIRMAN—I could not be a party to delay.

Hon. T. H. WHITEHEAD—Nothing serious has resulted from the delay of the last few years.

The CHAIRMAN—The Secretary of State says the amount must be paid by the end of March in order not to complicate the accounts.

The COLONIAL TREASURER—I shall be happy to put the figures before hon. members if the Chairman desires it. It would be a very simple thing to draw up the account.

The CHAIRMAN—I shall be glad to give all the information possible. Would Monday week be a convenient day to meet again?

Several members signified assent.

Hon. Ho Kai—I would ask that the Treasurer should send a copy of the accounts to each member.

Hon. T. H. WHITEHEAD—Yes, a few days before the next meeting of Finance Committee if possible.

The Committee then adjourned.
