

HONGKONG LEGISLATIVE COUNCIL.

16TH NOVEMBER, 1892.

PRESENT :—

His Excellency the Governor, Sir WILLIAM ROBINSON, K.C.M.G.

Hon. G. T. M. O'BRIEN, C.M.G., Colonial Secretary.

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

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

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

Hon. F. A. COOPER, Director of Public Works.

Hon. R. M. RUMSEY, R.N., Harbour Master.

Hon. C. P. CHATER.

Hon. HO KAI.

Hon. T. H. WHITEHEAD.

Hon. E. R. BELLIOS.

Hon. J. J. BELL-IRVING.

Mr. F. H. May, Acting Clerk of Councils.

NEW MEMBER.

Hon. J. J. Bell-Irving was sworn in as a member of the Council.

MINUTES.

The minutes of the last meeting were read and confirmed.

HIS EXCELLENCY'S SPEECH.

HIS EXCELLENCY said—Hon. gentlemen of the Legislative Council, I have much pleasure in meeting you again for the transaction of public business, after a vacation which you have doubtless enjoyed. I must confess, however, that it is not an unmixed pleasure, as I have to lay before you, and to endeavour to explain a state of affairs, so far as finance is concerned, which cannot be considered entirely satisfactory. On the 25th January last, adopting the estimates for 1892 as handed down to me, and making allowance for a loss of \$114,000 on the Opium Farm. I remarked that the anticipated revenue of \$2,144,178 would not be secured, but that we might expect about \$2,030,178. The ordinary expenditure was estimated at \$1,773,918 leaving a possible surplus of \$256,260. It appears likely that the total receipts for 1892 will be about \$2,067,216. Of this sum, however, at least \$50,000 is due to the reduction of the arrears of taxes outstanding at the end of 1891, through their energetic collection by the Treasurer's Department during the current year. \$20,000 has also been received from the Military Authorities for the

Lazaretto. These sums, the latter being purely a casual receipt, cannot be regarded as actual revenue, though they come within the year's receipts. The same may also be said of the deferred payments of the Opium Farmer; but deducting the two first items from the \$2,067,216 before mentioned, we find that the true revenue of 1892 will be \$1,997,216, approximately, or \$33,000 less than was estimated by me on the 25th January last. The estimate of expenditure for 1892 was as follows:—Ordinary expenditure \$1,773,918. Public Works Extraordinary \$680,078, making a total of \$2,453,996. The ordinary expenditure will be about \$1,782,000 and Public Works Extraordinary \$583,000, making a total of \$2,365,000. Supposing \$2,067,216 to be the actual receipts of 1892 and \$2,365,000 the total expenditure, ordinary and extraordinary, we have a deficit on the year's transactions of \$297,784. On the other hand, allowing that the ordinary revenue, as distinct from receipts, is \$1,997,216 and the ordinary expenditure \$1,782,000, we find that there is an excess of \$215,216 of ordinary revenue over ordinary expenditure. This surplus unfortunately, however, is subject to further reduction for the following reasons. A practice has been in force here for many years past in dealing with the public funds, which without full explanation must always have rendered the annual statement of the financial position of the colony more or less unintelligible, if not misleading, to hon. members. It has been usual to pay the charges for establishments for the month of December and other expenditure incurred towards the close of the year from the respective votes for the following year. As regards the charges for "Establishments" the amount does not probably vary much from year to year but the "other expenditure" always varies. The result has been, as you will easily understand that the position of the colony in regard to its finances has never in recent years been as correctly presented to hon. members as it might have been. In the accounts which will be laid before you in future you will find that the expenditure will, as far as possible, be brought to account against the votes of the year

in which it was incurred. The adjustment will increase the ordinary expenditure of the current year by an amount which is estimated at \$100,000, and the estimated surplus of revenue over ordinary expenditure will be accordingly reduced from \$215,216 to \$115,216. If as might fairly be done, the opium arrears were deducted from revenue and dealt with as a casual receipt, the estimated surplus would be still further reduced from \$115,216 to \$65,216. I now lay on the table the Estimates for 1893. They have been very carefully prepared. The estimate of revenue is \$1,906,395, and the estimate of expenditure, *i.e.* ordinary expenditure, \$1,899,611, leaving a possible surplus of \$6,785. This expenditure, however, includes a new item of \$40,000 to which I will presently refer. It is evident from these figures that as I premised in January, a Loan has become an absolute necessity. In the absence of such assistance, the only alternative will be to stop all further execution of extraordinary public works. Many of them are in progress and when completed will prove directly remunerative. Some will tend to develop the Colony and thus indirectly augment the revenue. Others are works of necessity. None can be suspended without entailing additional expenditure whenever they are resumed, as ultimately they must be. For these reasons the idea of their temporary abandonment should not for a moment be seriously entertained. This opinion will, I anticipate, be concurred in by hon. members, for on the 13th October, 1890, it was authoritatively stated by an influential Councillor that it was the "unanimous wish" of the taxpayers and ratepayers that a loan should be raised to meet the cost of public works extraordinary. Shortly after my arrival, I referred the matter to a Committee of this Council. They reported, and apparently overlooking the "unanimous wish" of the taxpayers, suggested that instead of raising a loan the Government should obtain the funds it might require from time to time by overdrawing its account at the Bank. This course did not recommend itself to me, as it would certainly be a most extravagant one, seeing that Government could borrow money in London at a much lower rate than it would have to pay for overdrafts. The existence of available assets in the shape of Crown lands was also mentioned as a reason against raising a loan. But, whilst I can quite understand the natural hesitation of hon. members to increase the indebtedness of the Colony, it must be evident that the existing commercial depression entirely precludes the realization of large assets by the sale of land. From whatever point of view therefore the matter is regarded the only logical conclusion that can be arrived at is that further postponement in regard to raising a loan is impossible. In acknowledging the

report of the Committee, I stated that though I did not agree in its recommendations, yet looking

to the ability and experience of its members I would not proceed further in the matter at that moment. Nevertheless I asked the Secretary of State to permit me to contract a loan if the financial position did not improve; and by a despatch dated 29th July I received that permission, sanctioning a loan not exceeding £200,000. The works which his Lordship considers most urgently necessary are the completion of the Central Market, the Praya reclamation, the water and drainage undertakings, and the improvement in gaol accommodation. He does not consider that any works beyond these should be charged to the loan but he consents to its also bearing the expense for such works which may have been incurred during the current year. The Secretary of State has decided that the amount of £200,000 shall be raised by inscribed stock, and not by debentures as was the case with the first loan. Ordinances to give effect to this decision will accordingly be laid before you. As the public works to be constructed will not be immediately remunerative the contribution to a sinking fund will be deferred, and these contributions will probably commence three years from the date on which the interest on the amount raised begins to accrue. The Loan Ordinance will be accompanied by a schedule setting forth all the public works upon which the money will be expended. It is to be hoped that the loan will be allowed to run for 50 years, as thereby better terms would be secured by borrowing for that time than for a shorter period. On this and other points further instructions will be sent to me by the Secretary of State before the end of this month, and when received they will be immediately communicated to you. In the draft estimates a sum sufficient to meet the interest on the loan and other charges which will have to be paid in 1893 has been inserted. It has been estimated that \$40,000 will be required for that purpose, and this is the new item I referred to at the commencement of my speech. With this addition the estimates show a surplus of \$6,785 of revenue over ordinary expenditure. Assuming your ready concurrence in these proposals, I shall in accordance with the wish expressed by the unofficial members of Council in their memo of the 20th December, 1890, afford every possible information in regard to these works, and whenever and wherever practicable, designs, drawings, and plans of them will be submitted to you. If hon. members desire it, a Standing Public Works Committee, with the Director of Public Works as Chairman, might be appointed to superintend and to control the expenditure of the amounts raised under the proposed Loan Ordinance. In the memo, to which I have just referred a hope was expressed by hon. members that the vote of \$40,000, which they considered "as merely guess work," for the

construction of a residence at the Peak for the Governor would not be exceeded later on. In the estimates drawn up by the Director of

Public Works a sum of \$55,000 is inserted for that object. It may be possible to reduce that amount, but if reduced I am informed that it will necessitate considerable alteration in the plans that have already been prepared, and possibly an abandonment of the new site selected. In reference to this work the Secretary of State requires to be furnished with a report as to its urgency and necessity, and no steps will be taken towards commencing it until the plans, &c. have been approved by the Council and his Lordship. There is one other point to which it is desirable to refer, and that is the comparative advantage of borrowing in gold in England, rather than in silver locally. This question was fully discussed in 1886 and 1887 and special reference was made to it in my address of 25th January last. An interesting and important despatch on the subject from Lord Stanley, dated 2nd February, 1886 was also laid before the Council, and to these documents I would venture to direct your careful attention. The possibility of effecting retrenchment in the public service has naturally engaged my most anxious consideration. In that service vested interests cannot be disregarded, and all retrenchment consequently must be more or less of a prospective nature. I have publicly stated that when opportunities arise I will take advantage of them, but time is required to effect all such reforms. The civil service is to a certain extent over officered, and the salaries of the clerical service are capable of reduction as vacancies occur. There is no doubt also that the cost of the Police is extremely heavy, and that in future by extending the term of service which qualifies Indian and Chinese constables for pensions considerable savings may be effected. As there exists in our midst an industrious and generally honest Portuguese community, and as many respectable Chinese are qualifying for public employment, there will be no necessity, except in rare cases, to recruit the clerical service, as distinct from the civil service proper, by the appointment into it of Englishmen hereafter. I propose therefore a reorganization of the clerical establishment, and a division of that establishment into 6 classes, with salaries ranging from \$360 per annum in the lowest to \$2,400 per annum in the highest class. It will be found on comparison that the average salaries to be paid under this scheme will exceed the average paid in Singapore, Mauritius, and Ceylon and will be more liberal than the salaries paid by the best private firms in Hongkong. For Portuguese and Chinese clerks these salaries will be found sufficient. These officers do not labour under the disadvantages that Europeans do; as they have not as a rule to remit money to Europe, and as they are domiciled here and acclimatized, they can live less expensively, with less risk, and far more

comfortably, than Englishmen occupying corresponding positions.

This reorganization will effect a saving of between \$25,000 and \$30,000 a year: in arriving at this conclusion and making this statement, I wish it to be fully understood that I do not in any way undervalue the services of the Portuguese officers now employed in the Departments of Government. They are trustworthy and industrious public servants, and several of them have satisfactorily and faithfully fulfilled their duties for a quarter of a century and upwards. With regard to the Civil Service proper, I have suggested to the Secretary of State several important changes, in the way of abolition and amalgamation of appointments and also reduction of salaries as opportunities occur, by which, if agreed to, a further saving of from \$25,000 to \$30,000 a year will be secured. To some of these recommendations his Lordship has already consented. The strength of the Military Forces now stationed in Hongkong and the peaceable and orderly conduct of the population generally render it possible to diminish the cost of the Police. The growth of that force, and the concurrent growth of the Pension list, have in recent years been very remarkable. In 1882 the cost of pensions was \$9,000 and in 1891 \$22,000. The time has arrived when they can safely be checked and I hope permanently reduced. The Captain Superintendent has materially assisted the Government by suggesting economies amounting in the whole to \$15,000 a year, and these will be effected by a slight alteration in the composition of the Force and by the exercise of greater care in regard to the issue of clothing and stores. The reduction is irrespective of that which I propose in regard to pensions in the future. If you will add these figures together, taking the lowest of them you will see that a prospective saving of at least \$65,000 a year is contemplated. Retrenchment in several directions has, as I have indicated, already commenced, whilst year by year the amount saved will, on the occurrence of vacancies increase until the extreme limit is reached. The question of the erection of a new Gaol has for several years been a very burning one. Soon after my assumption of the Government I made a representation to the Secretary of State on the subject. I urged his Lordship to reconsider the view which he had previously expressed that a new prison should be built, block by block, on a site different to that occupied by the existing prison. I am glad to say that my representation has not been altogether unsuccessful. The Secretary of State has agreed to forego the construction of a new prison on condition that the "glaring deficiencies," as he describes them, in the present gaol are removed, and that provision is made for the confinement of criminal prisoners on the separate system. This will of course necessitate the acquisition of additional space, which is

available in the neighbourhood of

the gaol, and the remodelling of the cells now used as associated cells. It will be necessary for me to satisfy his Lordship that these conditions are not only capable of fulfilment, but will be fulfilled. When that is done the question may be considered as finally and I trust satisfactorily settled. I appointed a committee to go thoroughly into the matter and it has just reported. The cost of the proposed works will be \$250,000, whereas \$600,000 at least would have been required for the construction on an open site of a new cellular prison. I strongly recommend you to accept this solution of the difficulty and by agreeing to the report of the Committee and by consenting to the loan to give me power to carry out without unnecessary delay the suggested improvements. With regard to the general condition of the colony it is hardly necessary to point out that it has not fully recovered from the commercial crisis of exceptional severity through which it has recently passed. Business of nearly every description is still unfortunately some what depressed, and it will be more or less disorganized throughout the East so long as the existing uncertainty as to the future of silver continues. The value of land and house property is very low, and the price of shares in most of the local companies and enterprises has fallen so heavily that large sums of money are locked up and cannot be realized except at a ruinous loss. While the legitimate business of the colony has not fallen off, a large portion of its capital has been transferred to other countries by somewhat reckless and certainly regrettable speculation. Though there may be no immediate prospect of rapid improvement, we may look forward to the future hopefully. The value of land and rents has begun to have an upward tendency. The large volume of trade which is ensured by the unique geographical position of the colony is increasing. The population, perhaps one of the most industrious in the world, is growing daily, and the public revenue although it is not of a very elastic character must be directly benefited by the completion of the Praya; the Central Market, and other depots which will at once be accelerated by the issue of the new loan. The frequent fluctuations in silver and eastern exchange are naturally creating great difficulties, and indeed consternation, in countries in which the silver standard is in force, as well as in one of the largest and wealthiest counties in England. It is sincerely to be hoped that the Monetary Conference, which is about to meet, will decide on some sort of bimetallism which will at all events give fixity of value to silver coin, which appears to be the first consideration. If such should be the case the effect would be immediately felt by the energetic

business community of this well-favoured island. The question of preferential duties in favour of Chinese junks and to the detriment of European

ships and steamers in the Canton River has been, as you are aware, satisfactorily settled, at least for the present. I had the pleasure of discussing this matter and the more important one perhaps of the contemplated Telegraph Convention with Her Majesty's Minister Plenipotentiary at Peking, Mr. O'Connor, when he passed through Hongkong at the beginning of the month. I think we may safely anticipate that His Excellency will do all that be possibly can to prevent the ratification of that Convention. The propriety of reorganizing and re-establishing the Volunteer Force was referred by me in May last to a representative Committee of citizens. They have reported strongly in favour of it, and have attributed the complete failure that has hitherto attended each successive effort to establish a permanent and effective Volunteer Force in Hongkong to a want of inducement, encouragement, and sufficient liberality on the part of the Government. The scheme proposed by the Committee would involve an additional expense of at least \$8,000 a year if adopted in its entirety. I propose to refer the matter to the Finance Committee by suggesting a specific grant of about \$10,000 for the initial cost and \$13,000 for the annual maintenance of the Corps. This appeal for support comes at a most inopportune moment, but some of the recommendations of the Committee are undoubtedly good, and others can be accepted with modifications. The Volunteer force is entitled to favourable consideration on account of its past services. If it were to cease to exist it is possible that the Imperial Government might insist upon some pecuniary contribution in lieu of it. I therefore advise its maintenance on more liberal terms than now exist, if, by the 31st Dec. next, 150 men have in writing stated that they are ready and willing to join the force and fulfil the conditions to be imposed upon them. With reference to education it is gratifying to observe that steady progress is being made. Over 10,000 scholars are under instruction. The Government in conjunction with a member of the Council, who is noted for his princely munificence in aid of this cause, is about to provide educational facilities for the hitherto neglected Eurasian girls, and when the new Girls' Central School is completed, it will at once be occupied by about 250 pupils, of whom 110 will be Eurasians and 140 Chinese. Owing to the action of the Government, local Missions are also bestirring themselves in the same direction. Out of a total of about \$84,000 to be expended this year by the Government on education. Victoria College is responsible for no less a sum than \$19,000. During 1893, I trust it will be possible for the Head Master and Committee of the College to suggest a reduction in this charge, and also that the Chinese inhabitants of Hongkong, whose children

principally benefit by this excellent institution, will not be averse to the payment of a rather higher fee than that now imposed. It

may also be possible to reduce the expenditure in other ways. Much remains to be done by Government in respect to elementary education, for which at present there are not sufficient funds. There are, I regret to say, some 20,000 children who attend no school whatever. The grant-in-aid system, which is a most admirable one, has been extended during the course of the year. No less than 14 new grant-in-aid schools have been started, indicating an extraordinary increase in the demand for education. These 14 new schools include 2 English schools, 6 Chinese girls' schools, 5 Chinese boys' schools and 1 Chinese mixed village school. Only once before has there been a similar increase, namely, in 1881, when 13 new schools were opened by managers. The average annual increase has been 6 only. There are now 95 grant-in-aid schools at work. It is my desire in the interests of the general community to encourage voluntary educational enterprise, and to extend in every direction the grant-in-aid system. With regard to physical drill, a very important matter, the successful parade which was held last Monday on the Cricket Ground, and which was attended by upwards of 500 scholars, will prove to those interested in education that the physical not less than the mental development of the boys has been attended to. The number of criminal cases in the Supreme Court this year does not show any striking contrast with the number last year, but the returns for 1891 and 1892 taken together exhibit a marked diminution in crime as compared with previous years. The number of cases tried up to date is only 27. In 1891, the number was 32. The average annual number of cases between 1887 and 1890 was 86. A considerable portion of this decrease is of course owing to the increased power given to magistrates in 1891 to deal summarily with indictable offences. Notwithstanding this, it may fairly be said that the condition of the colony with regard to crimes of the more serious kind is satisfactory. There have been no trials for extensive embezzlement and theft, though certainly two most flagrant cases occurred, the culprits escaping from the colony. There has been only one trial for murder, and no charges of piracy during the year. It is a matter for congratulation that within recent years serious robbery by armed bands, with violence, which used in former days to be a very common offence, has ceased to exist. This is no doubt owing to the deportation of criminals, a policy which is much appreciated by and enlists the sympathies of the respectable Chinese residents in the Colony. Cordially acknowledging the assistance which the Chinese community affords the Government in the suppression of crime, I trust that this aid will be continued, and that the policy of the Government in ridding the colony of

well-known dangerous characters will be supported and diligently persevered in. The tonnage in and out in 1891 was 14,005,698 tons, but it seems probable that the return will

be eclipsed by the entries and clearances of this year. Up to the 31st October they amounted to 11,703,851 against 11,661,446 tons for the corresponding period last year. There has also been a slight revival in emigration. Up to the 31st October 43,024 emigrants have left for various ports, against 39,360 for the same period in 1891. The action of Canada, the United States, and of the Australian Colonies renders it impossible that emigration should ever again assume the proportions it attained some years ago. The colony has been mercifully preserved from storm and pestilence during the last ten months. The neighbouring coasts, however, have not been exempt from these dire visitations. Though Hongkong itself has been spared, we have never the less to regret the loss of several members of this community owing to the wreck of the mail steamer *Bokhara* on 10th October. Tragedies of this nature, and the attendant suspense until the true facts are ascertained, are at all times terrible, but they are doubly so when as in this case many of the victims were residents in the Colony, young and promising members of their several professions, and all so well known and deservedly respected. I am not guilty of exaggeration when I say that the widest and deepest sympathy has been aroused by this disaster, which in the history of Hongkong is unparalleled. The tangible proofs of this sympathy which will be offered by this community and that of Shanghai and Canton to the relatives of the lost will doubtless be appreciated by them, not for their intrinsic value; but as testimony to the worth and character of those who have been taken from them. The Po Leung Kuk Committee has not completed its enquiries. The institution has been and is a very valuable one, and I trust that its sphere of usefulness may be safely extended, rather than contracted. It is possible, not to say probable, that the Marine lot-holders and others interested in the Praya Reclamation may appeal to the Government for some temporary assistance. Such an appeal if it is made will I can assure you, receive my most careful consideration. I am most anxious to facilitate in every way the completion of the reclamation, which will ultimately amongst other things be of great advantage to the general revenue. In the coming session I do not propose to trouble members with much fresh legislation. Of course there will be the usual Appropriation Ordinances and also the Loan Ordinance. Amendments will be proposed in the Vagrancy, Medical, Probate, and Marriage Ordinances, and there may perhaps be one or two private Bills. With your hearty co-operation in carrying these measures through Council, we may therefore anticipate a short and comparatively uneventful session. In conclusion,

gentlemen, I have only to express an earnest hope that there may be a revival of prosperity in the fortunes of the colony during the year 1893, and

that under any circumstances you will assist me in endeavouring to promote, as far as possible, the welfare and happiness of all classes of Her Majesty's subjects in Hongkong. (Applause.)

The Council then proceeded to the business of the day.

COMMITTEES.

HIS EXCELLENCY said—Under Section 48 of the Standing Rules and Orders of the Legislative Council I now proceed to appoint several Committees that are necessary. The first is the Finance Committee, which consists of the Colonial Secretary, as Chairman, and all the other members of the Council except the Governor. The Law Committee will be—The Attorney General (Chairman), the Registrar General. Hon. Ho Kai, Hon. E. R. Belilios, and Hon. J. J. Bell-Irving; the Public Works Committee—The Director of Public Works (Chairman), the Colonial Treasurer, Hon. C. P. Chater, Hon. T. H. Whitehead, and Hon. E. R. Belilios.

PAPERS.

The COLONIAL SECRETARY—I have the honour to lay the following papers upon the table: — Report of the Director of Public Works for the first half of 1892; report on the Widows and Orphans fund for the year 1891-2; Correspondence *re* vote of rupees 10,000 in aid of the sufferers by the recent hurricane in Mauritius; the Educational Report for 1891; the Colonial Surgeon's Report for 1891; Report on the Kowloon Water Supply; Rules and Regulations made by the Governor in Council under the Dangerous Goods Ordinance, 1873; Report of the Committee on the question of improved accommodation in Victoria Gaol. I also have the honour to lay the following papers on the table—by-laws drawn up by the Sanitary Board for the regulation of common lodging houses, by-laws in reference to the water closets of private dwellings. I shall move the adoption of these by-laws at the next meet-of the Council.

FINANCIAL MINUTES.

The COLONIAL SECRETARY—I have now to submit financial minutes 1 to 16 inclusive. They are already in the hands of members and as the list to-day is a somewhat lengthy one I think we may take them as read. I will move that they be referred to the Finance Committee.

The COLONIAL TREASURER seconded.

Minutes referred to Finance Committee.

FINANCE REPORT.

The COLONIAL SECRETARY—I now have the honour to bring up the report of the Finance Committee, No. 8, and move that it be confirmed by Council.

The COLONIAL TREASURER seconded.

Report confirmed.

THE APPROPRIATION BILL FOR 1893.

The COLONIAL SECRETARY—Sir, I have the honour to move the first reading of the Supply

Bill for 1893. Your Excellency has just presented the Council with so comprehensive a

statement of the financial position of the colony that it is unnecessary for me to do more than briefly mention the more salient features of difference between the estimates of revenue and expenditure for 1892 and those for 1893. The revenue for 1893 is estimated at \$1,906,396, or \$76,542 less than the revised estimate for 1892. By revised estimate, I mean the estimate which appears in the second column of the estimates for 1893, and which is based mainly on the ascertained receipts for the first half of the current year. The following are the chief items under which a decrease in the receipts is anticipated. Assessed taxes, \$21,767. The valuation of the rateable property in the Colony for 1892-93 is slightly lower than that for 1891-92; and during the current year the arrears of assessed taxes have been largely reduced. There will therefore be a slight shrinkage in the first six months of next year in current assessed taxes, and the collection of arrears will be smaller than that of 1892. Fines, a decrease of \$5,682, and forfeitures, \$1,883. Opium, a decrease of \$67,100. The revenue for the current year under this head has been swollen by the recovery of \$50,000 in arrear, and the farm has been let for three years from the first of March last at a reduced figure. Sunday cargo-working permits, \$1,000. Miscellaneous receipts, under the sub-head "other miscellaneous receipts," a decrease of \$21,449. In 1892 we received a casual windfall of \$20,000 from the Military Authorities by the sale of the lazaretto. These items of decrease aggregate \$118,881. On the other hand, increases are estimated under the following heads. Stamps, \$3,994; postage, \$6,121; rent of leased lands, \$3,428; miscellaneous, night soil contract, \$3,060. The contract for 1892-93 has been let for \$22,800 as against \$19,740 for 1891-92. Profit on subsidiary coins, \$8,500. The demand for our coins has recently revived and the causes of the improvement give reason to hope for its continuance for some time to come. Land sales, an increase of \$14,326. In view of the enquiries that are being made for land in several quarters, the estimate of \$50,000 for 1893 is a moderate one and should be realised. Water account, an increase of \$1421. The shrinkage in assessed taxes will produce a corresponding shrinkage in water-rate, but a considerable increase is anticipated under sale of water by meter. These increases amount to \$40,850. Deducting this from the aggregate of decreased above mentioned, \$118,881, the remainder is \$78,031. The difference of \$1,489 between this and the actual decrease of the total estimate as compared with the revised estimate of revenue for 1892 is accounted for by variations under other items, which are not of sufficient importance to require special notice. I now turn to

the expenditure. The Bill appropriates the sum of \$2,316,611. Of this the expenditure on Public Works Extraordinary, \$417,000, will be defrayed from the

proposed loan. The Secretary of State has directed that the application of the loan be limited to the works mentioned in the Bill. He has, however, intimated that the expenditure on these works and other cognate works during the current year may be met from the loan. This will improve our position, as soon as the loan has been raised, to an extent which cannot at present be stated with exactness, but which is estimated at from \$290,000 to \$300,000. It is hoped therefore that, when the financial results of the current year have been ascertained, funds will be available for other extraordinary public works besides those mentioned in the Bill. Should this prove to be the case, provision will then be made for such other public works as may be deemed desirable, by means of financial minutes during the course of 1893. The appropriation for ordinary expenditure, \$1,899,611, exceeds the corresponding appropriation for the current year by \$125,693. Of this amount \$123,051 is accounted for by three items, viz., fall in exchange \$77,651, provision for the charges on the proposed loan in 1893 \$40,000, and pensions, exclusive of equalization of exchange, \$5,400. The difference of \$2,642 between the total of these three items and the total excess for the year is made up of sundry variations under other items, which are all explained in the footnotes to the estimates. The estimated revenue for the year shews a surplus over the estimated ordinary expenditure of \$6,785. With these observations I move the first reading of the Bill.

The COLONIAL TREASURER seconded.

Bill read a first time.

SUPPLEMENTARY APPROPRIATION BILL.

The COLONIAL TREASURER—I rise to move the first reading of the Supplementary Appropriation Bill for 1891. It will be observed in the explanation made by the Honourable the Colonial Secretary that although the Council is to be asked for a supplementary amount of \$360,687,37, still if we were allowed to make wholesale balances as between excesses in expenditure and savings there would be a gain on the year of \$54,066,74, for the actual expenditure falls below that authorised by that amount. The next point to which I would call attention is that of this amount the sum of \$238,518,80 has been already voted by this Council. These items appear to require no further explanation from me. The special items specified in this Bill commence with "Charge on account of Public Debt." \$8,000 odd, and the explanation of this item is given by the fall in exchange. As honourable members will see, the estimate of the dollar was 3s. 6d. and the dollar fluctuated during the course of the year against us instead of in our favour. The next item is a small one, and is sufficiently explained by the drop in exchange.

"Water and Drainage Department" is explained by the fact that Mr. Chadwick's professional services have only lately been settled and have had

to be paid for the year 1891. With regard to "Post Office." a large amount of refund to other countries, exceeding \$20,000, was due. As I understand the Acting Postmaster General, that is due to the fact that the Post Office makes up this international transaction triennially, and has every third year to meet any excess that has been incurred during the two previous years. The next item of importance which requires further explanation from me is \$6,333.31, "Medical Department." It appears to have been the practice in this department to underestimate rather than overestimate the expenditure, and I find that in 1890 the Council was asked to vote \$15,000, in 1889 and 1888 \$8,000, as a supplementary supply. I believe that measures have been taken to try and bring the estimate more in accordance with the probabilities of the year for the future. With regard to miscellaneous services, there does not appear to be anything requiring explanation; what is contained in the report is all that is necessary to say on the subject. With regard to military expenditure, there is an item of \$28,000, which is the difference between the amount asked and the sum to be paid caused by the low rate of exchange. "Public Works Extraordinary." All the votes have been sanctioned with the exception of the final one, which perhaps I may shortly explain to the Council again. The amount of \$20,005.45 is described as contribution for military defence, paid in 1890 as advance and transferred in 1891. This Council will remember the discussion which took place in March last as to the proper rate at which the amount should be paid, and the discussion turned on whether the proper rate was, as claimed by the Military, the rate ruling in the colony at the date of their requisitions or the Treasury rate, as, owing to a misunderstanding by this Government of the military requirements, the Colony believed that it had paid all that was due from it when it had paid the full amount calculated at the Treasury rate. The subject was gone into fully, and it was decided that the military contention was correct. At that time, March last, I prepared a memorandum, which was sent round to every member, and among the several amounts shown as paid I included this one of \$20,005, which I said would come under consideration when the main question was settled. Besides this sum there was a balance due which had to be paid or not according to the decision arrived at. The Council decided that the Military were correct, therefore the balance was paid, and consequently the sum now under consideration had to be paid also. The money was actually voted in 1890, but as the matter was not finally decided till later, the vote lapsed and has now therefore to be renewed. With these remarks I will propose the first reading of this Bill.

The COLONIAL SECRETARY seconded.

Bill read a first time.

THE VAGRANCY ORDINANCE.

His EXCELLENCY—The next order of the day, the first reading of a Bill entitled "An Ordinance to amend the Vagrancy Ordinance, 1888," will stand over.

THE MARRIAGE ORDINANCE.

The ACTING ATTORNEY-GENERAL—In rising to propose the first reading of a Bill entitled "An Ordinance to amend the Marriage Ordinance, 1875," I propose to make a few remarks, as the objects and reasons of the Bill are not placed at the foot, as in the case of the remaining Ordinances on the orders of the day. The Bill has been introduced under the sanction of Lord Knutsford—when Secretary of State for the Colonies—and it is founded on the law now in force in Jamaica, Mauritius, and Ceylon. The general object of the Bill —*the* object of the Bill, I may say—is to amend the marriage law in this colony by permitting death-bed marriages between those who have lived in unlawful connection, without the formalities required by the present marriage law. It is in fact a concession to the religious tenets of the Roman Catholic Bishop of Hongkong. According to the religious beliefs and tenets of the Roman Catholic Church marriage is a sacrament and the Church claims the right to administer that sacrament in such cases, or refuse it, as they please, and what the Church says is this—"In certain instances the law of this Colony may curtail what we claim to be our right to administer this sacrament, because we should have no time in the case of these death-bed marriages to comply with the Marriage Ordinance now in force." It must be apparent to everybody here that in case of necessity where the Roman Catholic Church thinks it is necessary to unite persons who have lived together in unlawful connection and one of whom is at the point of death, it would be impossible to do so in compliance with the law unless some concession is made. I think it is a concession which really only affects the Roman Catholics, and I hope the Bill will be accepted and passed with that spirit of toleration which has been growing in England for the last fifty years or so and which is perhaps more evident in Her Majesty's colonies. I do not propose to add anything further at the first reading of the Bill, but on the second reading I will go more into the details of the Bill itself. I now beg to propose the first reading.

The COLONIAL SECRETARY seconded.

Bill read a first time.

THE RECOGNITION OF PROBATES BILL.

The ACTING ATTORNEY-GENERAL—The next item on the orders of the day is the first reading of a Bill entitled "An Ordinance to provide for the recognition in the colony of probates and letters of administration granted in the United Kingdom."

The subject is a very simple one and I think the "objects and reasons"

will have sufficiently explained its principle. In England they have passed an Act of Parliament by which they propose to recognise probates granted in the colonies provided the colonies have passed some reciprocal measure to recognise probates granted in England and receive them here. This is therefore a reciprocal measure and when it has passed this Council it will no doubt be forwarded to England, and then H.M.'s Order in Council will be necessary in order to bring into operation the English Act here. I beg to propose the first reading.

The COLONIAL SECRETARY seconded.

Bill read a first time.

MEDICAL REGISTRATION.

The ACTING ATTORNEY-GENERAL—I have now to propose the first reading of a Bill entitled "An Ordinance to amend The Medical Registration Ordinance, 1884." I do not propose to do anything further now than move the first reading. The chief objects of the Bill are stated at the foot in print. Perhaps, however, I may just allude to one or two small matters which are not mentioned in the "objects and reasons." Section 2 is really a re-enactment of the old section in the Ordinance of 1884, but the wording of the section in the old Ordinance was found to be somewhat ambiguous and not to be apt for the purpose for which it was intended. It was therefore considered that in introducing more substantial amendments into the Ordinance it would be a good opportunity to re-enact that second section. Section 3 is really bringing up section 11 of the old Ordinance to the present state of the law in England. A new Act of Parliament was passed after the Medical Registration Ordinance of 1884 and has apparently escaped notice until quite recently. I propose the first reading of the Bill.

The COLONIAL SECRETARY seconded.

Bill read a first time.

ORDINANCES 8 OF 1860 AND 1 OF 1883.

The ACTING ATTORNEY-GENERAL—I beg to move the first reading of a bill entitled "An Ordinance to repeal Section 45 of Ordinance No. 8 of 1860 and to amend Schedule A to Ordinance No. 1 of 1883." I do not propose to add anything; the amendments are not of very great importance, but at the same time they appear to be necessary.

The COLONIAL SECRETARY seconded.

Bill read a first time.

ADJOURNMENT.

His EXCELLENCY—The Council will now adjourn until Monday next at 3 o'clock.

FINANCE COMMITTEE.

A meeting of the Finance Committee was held immediately after the Council had adjourned, the Colonial Secretary taking the chair.

The CHAIRMAN—The first financial minute with

which the Committee has to deal is as follows:

—"The Governor recommends the Council to vote a sum of \$100,000, in order to provide for the payment before the end of the year, as prescribed in rules 63 and 77 of the Financial Instructions, of the salaries for the month of December and other authorised charges properly chargeable against the votes of the year. The salaries for December, 1891, and certain other charges were paid in January of this year, in accordance with the practice which has hitherto prevailed in this Colony. In order to carry out the object referred to above, it will therefore be necessary to exceed the Estimates for the current year by the amount (approximately stated above) of the salaries and charges of one month." The Committee has already been informed by His Excellency in his address as to the irregularity of practice which has hitherto prevailed in this matter. Attention having been called to it it becomes necessary to make provision so that all payments may be charged to votes of the year in which they have been incurred. The Committee will understand that in voting this amount they are not sanctioning any additional expenditure. They are merely enabling the authorities to bring the expenditure of the year to account against votes of the year.

The COLONIAL TREASURER seconded.

Hon. T. H. WHITEHEAD—I suppose there is no statement of how this amount is made up?

The CHAIRMAN—I have a statement here but it is necessarily more or less guess work because part of it will be expenditure by the Crown Agents which cannot be known and stated at present, and part of it will be expenditure on works, which vary of course according to the condition of the weather, and other circumstances. Roughly speaking the salaries come to \$74,000 and the remainder is an estimate. I think there can be no objection to sanctioning the vote because, in the first instance, it is required merely to put things in order and the accounts straight, and in the second place it does not carry with it the sanctioning of any additional expenditure. Suppose this amount were not voted the expenditure would be just the same, only it would be wrongly accounted for, and the statement of assets and liabilities would be misleading. Our statement of liabilities would leave out an amount which was incurred during the year and which should have been accounted for during the year and charged against the votes of the year.

Hon. T. H. WHITEHEAD—I am quite satisfied, but I think that it would be well for the information of the members of Council that when the details have been definitely ascertained the information should be conveyed to them—simply as a matter of record.

The CHAIRMAN—I have no objection to that.

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$3,000, as additional vote required to cover the total expenditure on the repairs of
St. John's

Cathedral Church. As the Committee are aware when it was decided to disestablish the Church of England in Hongkong it was settled that the Cathedral should be handed over to the Church Body in a good state of repair, and for that purpose a vote of \$3,000 was taken some time ago. It was afterwards discovered that some further repairs, the necessity for which had not before been known, would be required. The work is now, I understand, nearly completed.

Hon. HO KAI—Will this be final?

The CHAIRMAN—Yes, we have done with it now that we have put it in good order.

The COLONIAL TREASURER seconded.

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$320, to meet the charges made by the Water and Drainage Department for the supply of water to the Botanical and Affor station Department during the current year. The water was formerly supplied free, but since this year has been charged for.

The COLONIAL TREASURER seconded.

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$14,550.43, for military contribution, being excess caused by lower rate of exchange than estimated for. I am extremely sorry that it is necessary to apply for such a large amount, but I see no help for it. The dollar was unfortunately estimated too high for the current year. Exchange has been against us and this is the amount we have to pay in order to fulfil our obligation.

Hon. T. H. WHITEHEAD—Can you tell the members of Council how this matter is arranged or fixed? At the beginning or end of the year we are asked to vote money, which is done, but we ultimately find that more is required than the sum voted.

The CHAIRMAN—Or it might be less. This time it is more.

Hon. T. H. WHITEHEAD—How is the rate of exchange fixed?

The CHAIRMAN—We were given our choice at the beginning of the year whether we would accept the Army rate or pay the current rate of the day. It seemed more advantageous and in fact it has proved more advantageous to accept the rate fixed for Army purposes during the year. It is fixed quarterly. We took the option given us and exercised it by accepting the Army rate. We have lost money by it but we have not lost as much as if we had remitted the sterling due at the current rate of the day on which it fell due. Whetuer we shall have that opportunity of choice again another year I do not know. Take next year for instance. You will find under "Military Expenditure" that the amount

required to meet the contribution has been estimated at so many dollars on the assumption that the average rate of exchange will

be what it is stated to be. The rate for next year is 2/10. The rate for the expenditure in last year's estimates was very much higher—3/2 I think. In the estimates for 1892 there were three different rates used for different purposes, but for next year—1893—we have taken one rate for all.

Hon. T. H. WHITEHEAD—How often have these payments to be made?

The CHAIRMAN—Every quarter.

Hon. T. H. WHITEHEAD—The date of payment is fixed in advance?

The CHAIRMAN—Yes.

Hon. T. H. WHITEHEAD—Then I think the Government might do well to submit the matter to the Finance Committee before deciding as to the mode and time of payment.

The CHAIRMAN—That is very reasonable. This year a decision had to be arrived at very quickly and telegraphed home, but next year I will undertake that the matter shall be brought before the Finance Committee for its opinion and advice.

Hon. T. H. WHITEHEAD—I think it might place things on a more satisfactory footing. We are at the mercy of these fluctuations of exchange as matters now stand, whereas for a certain sum of sterling it might be possible to secure our exchange ahead without the possibility of either losing or gaining anything.

The CHAIRMAN—I do not know how it could be done.

Hon. T. H. WHITEHEAD—Such things are done every day in commercial life and business could not be carried on without such banking facilities. The Government might make a local contract for a fixed exchange on certain dates.

The CHAIRMAN—I remember you made the suggestion once before but I do not think the Committee was in favour of it. It amounted, I think, to a recommendation to the Government that they should make time bargains; that they should go to a local bank, say, and bargain as to what they would do the business for. I think it would still happen that the Government would lose by it. Instead of having to take their chance of the fluctuation of exchange they would have to reckon with the banker and his margin of profit. I think we should have to pay more for it after all.

Hon. T. H. WHITEHEAD—I scarcely think so. You say the Government might lose by it. Take for instance this case. If you have so many dollars voted to-day being the equivalent of so many pounds sterling the Government might protect themselves against loss by settling the rate of exchange forward, as is done in commercial transactions daily.

The CHAIRMAN—The banker would only undertake to do that if there was a profit in it.

Hon. T. H. WHITEHEAD—Here we have a heavy

loss which could have been avoided.

The CHAIRMAN—How could it have been avoided?

Hon. T. H. WHITEHEAD—By entering into a contract at the time with one of the Exchange Banks.

The CHAIRMAN—It depends on the view which the banker took of the probable course of exchange. What do you think, Mr. Chater?

Hon. C. P. CHATER—A commercial man would probably secure his exchange and have done with it.

The CHAIRMAN—For twelve months ahead?

Hon. C. P. CHATER—Yes. At all events you could do two quarters ahead, but I know that the Government is adverse to going into time bargains as you call it, so perhaps the best course is to let things go as they have hitherto done.

Hon. HO KAI—It seems to me that if exchange goes down someone would lose the \$14,000 and I don't see how the Government are going to protect themselves from losses.

Hon. T. H. WHITEHEAD—I submit that it is the business of the Exchange Banks and not the business of the Government to run risks.

The CHAIRMAN—It is also the business of a bank to make its profit.

Hon. T. H. WHITEHEAD—Exchange banks are in the habit of buying exchange forward and selling exchange forward at narrow margin of profit, and I think the Government should have some insurance against these avoidable losses.

The CHAIRMAN—Well now, Mr. Whitehead, what are you prepared to quote for 1893 up to a limit of say £10,000?

Hon. T. H. WHITEHEAD—Business has been done to-day in Hongkong six, seven, and eight months ahead at a difference of certainly not more than $1\frac{1}{4}$ to $1\frac{1}{2}$ per cent.

The CHAIRMAN—A rate would be quoted at $2\frac{7}{8}$?

Hon. T. H. WHITEHEAD—Taking to-day's rate at $2\frac{7}{8}$ it would be possible to buy it to-day at $2\frac{7}{8}$ and $2\frac{3}{8}$ for delivery six months hence.

The CHAIRMAN—That means a certain loss for us to face, and exchange may go up. Unfortunately last year the rate taken was very much higher than the rate ruling now.

Hon. C. P. CHATER—If an auditor was to go into your accounts now he would put his finger on this quotation of exchange, which is 2d, more than the present rate of the day.

Hon. E. R. BELLIOS—I think it is best to have it systematic and if you have followed this course we had better adhere to it. The bank which sells forward at a lower rate quotes for a profit. If you settle at the banker's rate you discount your loss.

Hon. C. P. CHATER—You say that you have the choice of paying the Army rate or the equivalent at the current rate. How is the Army rate fixed?

The CHAIRMAN—I believe it is fixed quarterly by

a Committee at home. It is supposed, I believe, to give soldiers and sailors a slight advantage in exchange. I know, as a matter of fact, that it is often higher than the ruling rate

Hon. T. H. WHITEHEAD—When we had a rising exchange two years ago there was often a difference of three or four pence in the dollar between the rates at which the Army paid their salaries and accounts and the rates obtainable in the open market. On a falling market the rate fixed by the Army is favourable to those sending home remittances, but on a rising market they would do better to take the market rate. The Government can and should avoid such losses as the present one of \$14,550.43.

The COLONIAL TREASURER seconded the vote.

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$2,685.12, to cover the cost of the prolongation of storm water drains in Centre and Eastern Streets. The facts of the case are that the reclamation was undertaken by the Government for the Wharf and Godown Company and executed by the Public Works Department, and during the course of the execution of the work some further works became necessary. It was proposed that the cost of these should be equally shared by the Wharf and Godown Company and by the Government. Application was duly made to the Wharf and Godown Company for their share, but they then said that they were not liable, that they had not been consulted before this additional work had been undertaken, and that though they did not dispute that it was necessary work they were not liable as they had not been asked beforehand to join in it. The Attorney-General has been consulted as to whether a case at law would lie against the Company and he advises that there is no legal claim against them.

The DIRECTOR OF PUBLIC WORKS described technically the nature of the additional work which had been done, and which he said was absolutely necessary.

The COLONIAL TREASURER seconded.

Vote passed.

The CHAIRMAN—In the next minute the Governor recommends the Council to vote a sum of \$500. being additional sum required to defray the cost of Clothing, Bedding &c., for the Goal Staff and Prisoners. (Supplementary sum voted in June last for Sheeting Material and Blankets \$1,200. Actual cost of these articles amounted to £245, or something over \$1,700.) It was thought that \$1,200 would be sufficient to cover the cost but the amount has proved in excess of the estimate.

Hon. E. R. BELLIOS—How do these mistakes arise?

The CHAIRMAN—Simply through ignorance A certain quantity of things was ordered and the Superintendent thought that they could be purchased for a certain sum, but it turns out that

they were not to be bought for that.

Hon. T. H. WHITEHEAD—Could not such material as clothing and bedding be obtained locally on equally favourable terms?

The CHAIRMAN—The Superintendent of the Gaol would be glad at all times to buy locally if he could effect economy by so doing. Some things are bought locally but other things, taking quality into account, are to be obtained cheaper from home. The object is of course to do the best you can in all cases.

The COLONIAL TREASURER seconded the passing of the vote.

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$4,083.30 to cover the cost of certain additional works on the reclamation from the sea at Kennedy town, which were unforeseen when the contract for the reclamation was entered into. The Chairman explained that this was a case very much on all fours with the one already dealt with. The Attorney-General had given his opinion that they had no remedy at law.

The COLONIAL TREASURER seconded the vote.

Hon. T. H. WHITEHEAD—No Government officials responsible? The poor ratepayers will have to pay for it, I suppose.

The HARBOUR MASTER—The Government officials pay taxes—they will have to pay it as much as anyone else.

Hon. T. H. WHITEHEAD—I did not say they would not have to pay their share.

The REGISTRAR-GENERAL—Does not this work also benefit the public?

The DIRECTOR OF PUBLIC WORKS—The Government reserve part of the reclamations for streets and drainage and in that way the public benefit.

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$5,000 to cover the cost of stationery for 1892, the requisitions for which arrived too late to be included in the 1891 account.

The COLONIAL TREASURER seconded.

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$1,000, for the repair of the main sewer in Robinson Road, Kowloon, damaged by the roots of the trees planted along the sides of the road. The Director of Public Works in August last reported the matter to His Excellency, who sanctioned the work as it was of an urgent character. By the work being done then much unnecessary expense has been saved.

The COLONIAL TREASURER seconded

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$260, as an additional sum required for the Governor's Department to meet the expenses for repairs of Public Furniture at Government House, and Incidental Expenses.

The COLONIAL TREASURER seconded.

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$600, to meet the charges made by the Water and Drainage Department for the supply of water to the Gaol during the current year. The water was formerly supplied free, but since this year has been charged for, and paid from the vote for "Incidental Expenses."

The COLONIAL TREASURER seconded.

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$14,000 for "Repairs to Buildings." This additional vote has become necessary owing in a great measure to the liabilities on account of work done during the last two years, but paid out of this year's vote. I admit that on the face of it this is a most unsatisfactory statement. There have been several departmental changes, Mr. Price having retired and been succeeded by Mr. Brown, and Mr. Brown having fallen ill, and during these changes the department got if not into confusion at all events into arrear and the consequence is that we have this bill outstanding. I am perfectly aware, as I have said, that it is unsatisfactory. There is nothing more I can say about it except that I am sure that it will not happen again—while Mr. Cooper is Director of Public Works at any rate.

After a little conversation,

The COLONIAL TREASURER seconded.

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$5,000, to supplement the vote in the estimates for maintenance of roads and bridges out of Victoria (\$15,000), the expenditure under which has been unexpectedly heavy. There will be a corresponding saving of expenditure under the vote "maintenance of roads and bridges in Kowloon."

The COLONIAL TREASURER seconded.

Hon. T. H. WHITEHEAD—As regards the state of the roads from West Point to Aberdeen they are in a most disgraceful condition. Surely the attention of the Government has been brought to it?

The CHAIRMAN—I was going to ask Mr. Cooper for a report on that. He will be asked to report upon it.

The DIRECTOR of PUBLIC WORKS—I have been over the road. There are a few loose stones on the road which can be easily picked off. We have had an exceptionally trying time of late and if the road had been taken in hand six weeks or two months ago heavy rains would have washed it away. It has been taken in hand now and that is as early as I think it was advisable to do so.

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of

\$7,150, to meet the extra expenditure during the current year on the Government Civil Hospital votes (underestimated in the Estimates) for the following

items:—Bedding, \$1,250.00; Medicines, \$1,750.00; Medical comforts, \$1,200.00; Light and Fuel, \$2,000.00; Washing, \$350.00; Incidental Expenditure, \$600.00— Total, \$7,150.00. As the Colonial Treasurer mentioned in his statement the Hospital expenditure has apparently always been underestimated and year after year it has been found necessary to come to the Council for a large supplementary vote. In 1888 it was over \$8,600, in 1889 it was over \$8,000, and in 1890 it was more than \$15,000. In the estimates this year the Hospital has been treated on a more liberal scale and an effort will be made—I cannot say more—to keep the expenditure strictly within the votes. I am afraid there is no alternative to voting the amount now asked for because it has become necessary not so much by extravagance— though I think the expense of the Hospital is rather high—but because there is no doubt that the estimate for 1892 was unduly low.

Hon. T. H. WHITEHEAD—I suppose the money has already been paid away?

The CHAIRMAN—Not all of it; some of it has, and all of it will be by the end of the year.

The COLONIAL TREASURER seconded.

Vote passed.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$500 as a building grant under the Grant-in-aid-scheme, being half the cost of new Grant-in-aid School built by the Basel Mission at Sham-shui-po which has taken the place of a Government School in the same place. I dare say that members are aware that under the Building section of the Grant-in-aid scheme managers of a school complying with certain conditions—such as providing a schoolhouse satisfying the Director of Public Works and Sanitary Inspector as to the arrangements of the place and so on—are entitled to a grant of half the cost of building.

Hon. E. R. BELILIOS—Suppose a man gives up keeping school, what becomes of the grant?

The CHAIRMAN—It has to be repaid.

The COLONIAL TREASURER seconded the approval of the vote.

Vote passed.

The CHAIRMAN—The last vote we have to consider to-day is for \$1,300, The Governor recommends the Council to vote a sum of \$1,304.73, viz.: —For a special chronograph fitted with electrical control, battery, &c., for the Observatory, £114 0s. 1d. at 2s. 10d.= \$804.73, The instrument was ordered in 1889, but was only received in the colony this year. For additional expenditure under "laboratory expenses" and "Office Contingencies," \$500, the votes for current year having been under-estimated.

Hon. T. H. WHITEHEAD—I regard the results of the Observatory this year as exceedingly

unsatisfactory, in fact there are many in the colony who regard the Observatory as absolutely useless. By way of protest I must record my vote against this.

Hon. E. R. BELLIOS—If we keep up an Observatory here I don't think we ought to haggle over small items.

The COLONIAL TREASURER seconded.

Vote carried, Hon. J. J. Bell-Irving, Hon. T. H. Whitehead, Hon. Ho Kai, Hon. C. P. Chater recording their vote against it.

The Committee then rose.