

30TH 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. J. H. STEWART-LOCKHART, Registrar-General.

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

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.

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

MINUTES.

The minutes of the last meeting were read and confirmed.

LETTERS, &C.

The COLONIAL SECRETARY—I have the honour to lay on the table a letter from the Crown Agents with reference to the proposed loan; also a despatch from the Secretary of State of July 7th. 1892, on the subject of prison accommodation. I have to submit also a financial minute which I move be referred to the Finance Committee.

The COLONIAL TREASURER seconded.

Minute referred to the Finance Committee.

FINANCE REPORTS.

The COLONIAL SECRETARY—I have the honour to bring up the reports of the Finance Committee numbers 10 and 11, and lay them on the table. The latter report has reference to the proceedings of the Finance Committee respecting the Supply Bill of 1893. In a few minutes the Council will be in Committee on the Bill and I shall defer until then my remarks on the subject.

BY-LAWS.

The COLONIAL SECRETARY—I have now, sir, in pursuance of notice given, the honour to move the adoption of the first of the three sets of by-laws standing in my name, being a by-law for the regulation of common lodging houses. The Council may remember that it passed in May, 1891, certain by-laws on this subject, and the seventeenth of those by-laws provided that all the by-laws should come into force on and after the 1st August, 1891. It was hoped that it might be found possible to take steps to enforce the observance of the provisions of these by-laws by the time stated. The Sanitary Board has, however, reported that they have been unable to make arrangements to that effect and they have passed this by-law in substitution of by-law No. 17 which I have just quoted. The by-law runs as follows:—"These by-laws shall not come into force until a date hereafter to be fixed by the Sanitary

Board and approved by the Legislative Council and published in the *Gazette*." The Attorney-General has reported that this by-law is in due form and that there is no objection to its adoption. I beg to move that it be approved.

The ACTING ATTORNEY-GENERAL seconded.

Hon. T. H. WHITEHEAD—I rise to move that the adoption of the by-laws in question be postponed for a fortnight or until the next meeting. The unofficial members have not had sufficient time to consider the by-laws in question. I speak for one or two hon. members and if it is convenient to postpone them for a fortnight I think we shall then have had time to consider them.

The COLONIAL SECRETARY—The hon. member is under an entire misapprehension. He says that he has had no time to consider these by-laws. I should think that he has had ample time. He has had about a year and a half. The actual by-laws are not now before the Council. The only one now before the Council is that which provides that certain by-laws already made by the Sanitary Board and approved by the Council, but which the Sanitary Board say they are not in a position at present to enforce, shall not come into operation until a future date.

Hon. T. H. WHITEHEAD—I was under a misapprehension. I thought they were new by-laws.

The by-law was then adopted.

The COLONIAL SECRETARY—I have to move the adoption of by-laws for the regulation of bake-houses. They have reference to bakeries, have been passed after due consideration by the Sanitary Board, and are reported by the Attorney-General to be in proper form.

The ACTING ATTORNEY-GENERAL seconded.

By-laws adopted.

The COLONIAL SECRETARY—I now move the adoption of another set of by-laws for the proper construction, etc., of water closets in private dwellings. The remarks which I made on the by-laws just passed relating to bake-houses apply also to these and I beg to move that they be adopted.

The ACTING ATTORNEY-GENERAL seconded.

By-laws adopted.

The COLONIAL SECRETARY—I have to move the adoption of an order as to the fees and percentages to be taken in the Supreme Court. I have the authority of the Chief Justice for saying that though the Council has the right to decline to approve them it has not the right of altering them in any way, and the question therefore will be whether they are to be approved or not. I may mention that they are for the most part in accord with the fees that have been hitherto levied with the exception of those relating to probate and letters of administration, as to which the opportunity has been taken by the Chief Justice to introduce rates somewhat in accord with the rates ruling in England. I move that this order be approved by the Council.

The ACTING ATTORNEY-GENERAL seconded.

Order approved.

THE APPROPRIATION BILL, 1893.

THE LOAN.

The COLONIAL SECRETARY—Being now in Committee on the Appropriation Bill of 1893 I beg leave to move the first item of \$146,790, for charges on account of public debt. I mentioned in Finance Committee that I was aware there might be a difference of opinion as to part of this vote. I refer to the part which makes provision for a charge of \$40,000 in connection with the proposed new loan. I said in Finance Committee that I was aware that there might be some difference of opinion as to that item and I suggested that the most appropriate opportunity for any discussion which might be necessary on the question would be when the Loan Ordinance itself was introduced. If the loan is raised the sum in question will certainly be wanted, but on the other hand, if the loan is not raised no expenditure will be incurred on this item, that is to say in the item of \$40,000 which refers to the loan proposed to be raised in 1893. The unofficial members in Finance Committee were satisfied with the explanation I gave and with the suggestion I made, and I hope therefore that the vote may now be passed. I shall undertake on behalf of the Governor that no expenditure shall be incurred in this special item of \$40,000 unless and until the Council has passed an Ordinance authorising the raising of the loan to which it refers. I beg to move, sir, that the item of \$146,790 stand part of the Bill.

The COLONIAL TREASURER seconded.

Hon. T. H. WHITEHEAD—I am not aware that it is within our province to move that the amount be increased, but I would point out that the sum of dollars put down here to cover the cost of interest, viz., £8,000. on the loan of £200,000, and the cost of remitting home £7,07?? to the sinking fund will not cover these amount at the present rate of exchange. The exchange is put down at 2s. 10d. and that is not at the present moment obtainable. It will make difference of several thousand dollars if the market rate of the day is taken, and the estimates are therefore misleading. The same remains applies to the £40,000 of military contribution.

The COLONIAL SECRETARY—I should be the last person to attempt to interpose any difficulty in the way of the fullest and freest discussion, but I really fail to see what is the use of having the discussions in the Finance Committee, which are recorded there and published in Hansard, and the time of the Council being taken up by these observations being made all over again for a second time. That appears to me to be rather a waste of time. The hon. member who has just sat down made precisely the same remarks at the Finance Committee, and I am surprised to him then that no payment would have to be made for a considerable period, then

it was impossible for him or any one else to say what the rate of exchange would be at the date of payment, and that on the whole I was not prepared to alter the rate at which the item had been entered in the estimates of the Supply Bill.

HIS EXCELLENCY—Are you prepared to move an amendment, Mr. Whitehead?

Hon T. H. WHITEHEAD—No.

Item passed.

PENSIONS.

The item of \$79,400 for pensions was passed without discussion.

THE SALARIES QUESTION AND THE FINANCIAL  
CONDITION OF THE COLONY.

The COLONIAL SECRETARY—I beg to move that the item \$41,339 for the Governor an Legislature stand part of the Bill.

The COLONIAL TREASURER seconded.

Hon. C. P. CHATER—Sir, I must say I am rather surprised at what the Colonial Secretary has just informed me, that the duty devolves on me to propose that the report of the Finance Committee be adopted by the Council.

The COLONIAL SECRETARY—Pardon me. I rise to make a correction which I am sure the hon. member will allow me to make. That is not what I said. What I did say was that it lay with the hon. member if he wished, to move an amendment to the motion I have made. He thereupon asked me if I was going to move the adoption of the report, to which I replied, "Certainly not." It is not a document which requires to be adopted by the Council. It is simply laid before the Council.

Hon. C. P. CHATER—I believe most of these financial reports are laid on the table and proposed by the Colonial Secretary and then adopted by the Council. I have certainly been under that impression, and I thought that in the ordinary course of events, although the vote was against what the Colonial Secretary would like to have it, yet that he would have moved the adoption of it by the Council, but I see he has ruled otherwise. I am sure I have very great pleasure in proposing that this item be reduced to what it was before the salaries were increased in 1891. The reasons for moving this amendment have been fully gone into in Finance Committee and are pretty well known amongst the members of Council. Therefore I need not repeat what I have said before. Since last meeting I have been told that perhaps we were not quite correct in saying that the finances of the Colony had shrunk somewhat and that expenditure had increased. I am certainly of opinion, sir, that the revenue has shrunk and that the expenditure has increased, and I have great pleasure in proposing that this item be reduced to what it was before the increase of salaries was made in 1891.

Hon. HO KAI—I beg to second the proposal made by the senior unofficial member. It may be of course a question of debate whether the

revenue of this colony is shrinking or whether it is on the increase, but the fact remains we all feel it in our own pockets. The Government is in difficulty in finding funds to carry on extraordinary public works, and a loan is mentioned by your Excellency as being actually necessary to meet the present expenditure. Now if we had a surplus in the colony capable of meeting that expenditure I am quite sure your Excellency would not recommend that course. The very fact of this loan being necessary at this time shows that we are under the necessity of economising as much as we can, and in these circumstances, as I have said before in the Finance Committee, the unofficial members are under the necessity, in the fulfilment of their duty to the ratepayers of this colony, of moving that a certain retrenchment be effected reducing the salaries of all the officials to the level of 1891, and also certain items which they consider unnecessary, and to-day they come forward once more to maintain their position and also to move and second in this Council the adoption of the report of the Finance Committee in order to give effect to their recommendations.

Hon. T. H. WHITEHEAD—Sir, I rise to support the motion of the senior unofficial member seconded by the hon. member who represents the Chinese. It may be that in some cases an increase of salaries over the 1890 rate may be necessary. That our revenue is not of an elastic nature is, I think, palpable, and it is more likely to shrink further in the future, more particularly that from opium, than even to remain at its present figure. With regard to expenditure, it has been constantly on the increase. To-day I looked up a return which I called for last year, and I observe that the increase in salaries and personal allowances in the last five years is more than \$200,000, that is from \$547,000 in 1887 to \$758,000 in 1891, and there is a still larger increase in 1892. Retrenchment is necessary, your Excellency has already admitted, and in a speech made some little time ago at the College of Medicine meeting your Excellency held out hopes that we might see you effect a retrenchment of some \$60,000 a year permanently, but that reduction apparently is not to take place just yet a while. At that meeting of the College of Medicine your Excellency referred to the unofficial members having the control of the purse-strings of the Colony; and if I may be allowed to quote the words they are these:—"In a matter of this sort—

The COLONIAL SECRETARY—Would you please make the extract intelligible? In a matter of what sort?

Hon. T. H. WHITEHEAD—In speaking of the proposal to endow the College of Medicine your Excellency said—

"In a matter of this sort the purse strings are in the hands of the unofficial members of the

Council. I have no doubt that we could carry this endowment by a Government majority but in dealing with finances I have never taken advantage of that majority or spent any sum of money in any colony which was not voted by the majority of the unofficial members."

His EXCELLENCY—But they were amenable to reason in the other colonies.

Hon. T. H. WHITEHEAD—That salaries were increased is quite true, and the conditions under which they were increased were very pointedly referred to by the Right Hon. the Secretary of State for the Colonies (Lord Knutsford) in his letter dated 3rd April, 1891, in which he informed Sir William Des Voeux that he sanctioned the general rise of salaries on the allegations that house rents for Europeans had increased from 100 to 150 per cent. and for Chinese 100 per cent. His Excellency Sir William Des Voeux laid down that these salaries would be open to revision at the end of each year, and there can be no doubt at all as to what he said, namely:—

"As the estimates which contain these increased salaries are only voted for one year, the Council will, of course, be at full liberty to reconsider the position with reference to the estimates of 1892, and public officers will understand that though these salaries may be fixed at a given amount for this year, it does not follow that they will remain at that figure for next or any subsequent year, should the circumstances of the colony require a reduction."

The Officer Administering the Government, Sir Francis Fleming, also laid down a similar law in connection with the increase of salaries, and with your Excellency's permission I would like to quote what was then said:—

"The hon. member (Mr. Keswick) has said it may be necessary within a year or two to bring about a different change from what it is proposed to bring about to-day. There is no doubt the increase it is proposed to give now amounts to a very considerable sum, and it may be that the circumstances of the colony may change, and that in consequence of such a change it may be necessary at a subsequent period to move that instead of salaries being raised they should be reduced. We know such has been the case in other colonies in recent years; in Mauritius for one."

I think, sir, it is very unfortunate that the unanimous wish of the unofficial members was not complied with in the course of last year, and some time after your Excellency's arrival here, when we applied for a Commission to inquire into the increasing cost of the administration. That the colony is over-officered is admitted by your Excellency, and also that the clerical staff's salaries are capable of reduction, and we think it most unfair and most unreasonable that the Colonial Office, knowing that fact, should send out more officers here. Only the other day a gentleman arrived as

Superintendent of the Gaol which I think was quite unnecessary and quite uncalled for. I believe your Excellency recommended to the Colonial Office not to appoint any other officer, but the voice of the Colonial Office had its way. I therefore think that the unofficial members are quite justified in bringing the position of affairs forward in the most forcible way they can in order that, and as soon as possible, we may get some reduction and some retrenchment. When the colony is over-officered and over-manned, surely it is possible to effect some economy.

The COLONIAL SECRETARY—My hon. friend the senior unofficial member has here and in the Finance Committee discharged what he has stated to be a very painful and disagreeable duty. To be strictly accurate I should say that in the Finance Committee he spoke of the duty as a very painful and disagreeable one, but that to-day he has come forward and said that he has great pleasure in undertaking it. And he has been supported by the other unofficial members, who have echoed his sentiments—(I am referring here to what passed in the Finance Committee) —at the hard fate which has compelled them to take what they conceive to be an extreme step and one which could be justified by nothing but necessity. Nor have expressions been wanting of goodwill towards those who are to be the unfortunate sufferers by the reluctant action of their wellwishers. It was all very creditable, and very affecting, but somehow it reminded me of the words of the old song.

Perhaps you were right to dissemble your love.

But why did you kick me downstairs?

(Laughter.) Well, sir, the die is cast, and it has been decided by the unofficial members that there is to be a sweeping reduction of salaries, commencing with that at present enjoyed by your Excellency. Now I may say at once that I have no intention of suing to this Council *in formâ pauperis*, or of arguing, either on behalf of your Excellency, or of myself or of any of my brother civil servants, the question whether we are overpaid, sufficiently paid, or underpaid. I have no objection to stating that, as a general rule, if one desires to have competent and zealous service, one must be prepared to pay a fair price for it, and that cheap service often proves in the long run dear; nor to observing that Hongkong is not in itself a very attractive station, being, as it is, an enormous distance from home, a very expensive place to live in, and afflicted during the spring and summer months with perhaps the most trying climate in the world. So much I have no objection to observing—it would be patent even if I did not mention it—but into a wrangle about the exact market value of my own services, or those of my hon. friend the Director of Public Works, for example, or of others, I absolutely decline to enter. Certain salaries, which have been passed by this Council, have been fixed by the Secretary of State as proper for us to draw, and until the

Secretary of State has decided that these salaries should be altered we must continue to vote them. That is the official side of the question. The side of the unofficials is that the financial condition of the colony requires that the salaries should be reduced, and they contend that they have a right to move such reduction. In support of their contention they quote the dictum of a previous Governor—it is quite unnecessary, their right being inherent and not requiring any such support. Your Excellency's predecessor pointed out that, as there was no longer a fixed Establishment Ordinance in the Colony, the unofficial members would annually have an opportunity of moving the reduction of salaries whenever they thought that such reduction was called for by circumstances. That opportunity has now come round, and they have availed themselves of it. They have a perfect right to do so—nay more, it is their bounden duty to do so if circumstances demand it; the only question for them to consider is whether circumstances do demand it. As to that, let us examine a little. Leaving out of account such details as a recent and probably temporary fall in the rents of houses, which is in some cases contestable and might in all cases be met with other details affecting the cost of living, including the further depreciation of silver since 1891, their case, broadly speaking, is that the financial position of the colony has so worsened in the last two years that the most drastic retrenchment is immediately imperative. By such worsening of our position I presume they must mean something more than that a good deal of money has been lost by gambling. It is perfectly true that in recent years Hongkong has become a byword all over the world for reckless and profligate gambling. But those days are past, and, besides, the unofficial members must surely mean something more than this. They must mean that the volume of legitimate business is decreasing, that the revenue of the colony is falling away, and that it is unable, or will shortly be unable, to meet the legitimate charges on it. But is this really the case? We have here no statistics of exports and imports and it is therefore impossible actually to prove the volume of our trade by the irrefragable evidence of incontestible figures. In default of such we must have recourse to inferential indications. These are not wanting. One of them is the amount of shipping frequenting the port. It must be presumed that ships do not come here for nothing. In 1890 the shipping of the port exceeded that of any previous year; it was, however, surpassed by that of the following year and the present year bids fair to eclipse the record of 1891. Another indication is the amount of bank-notes in local circulation. So far from this amount falling off, the returns show that it has largely increased. In November, 1882, it amounted to \$4,757,055; in November, 1890, to \$5,565,533; in November, 1891, to \$5,702,198; at

date it is \$5,999,712. Then again, to take an article which has come rather prominently before the public lately petroleum. My office has been recently besieged with applications for temporary licences, the usual accommodation being quite insufficient for the supply. I am aware that there was an exceptional glut in the island owing to some alteration of the likin in China, but the figures with which I was made acquainted in connection with recent applications for temporary licences show that the trade is simply enormous. In addition to this my hon. friend on my right, the senior unofficial member, has applied for leave to erect extensive premises in Kennedy-town to be permanently licensed for the storage of petroleum. And as if this were not enough, Messrs. Arnhold, Karberg & Co. are erecting tanks for storing importations in bulk on a scale sufficient to supply a large portion of Southern China. This is but one item; if we knew as much about others we should perhaps gain a clue to the explanation of the extraordinary increase in the shipping of the port. To take another item: a correspondence which I have recently had with those concerned in connection with the amount of water they require from Government for their business show that the output of sugar is on a vast scale. As to the coal trade of the port and the immensely important and extraordinarily favourable prospects that await Charbounages in the immediate future, my hon. friend on my right has himself given me some very interesting information but as it was given in the course of conversation, I do not feel at liberty to repeat it. I should only weary the Council if I were to dilate further on this branch of the subject, but before leaving it I would like to draw attention to a very significant circumstance, and that is that the manager of the Hongkong and Shanghai Bank recently stated in public that in the month in which he was speaking the Bank had received more applications for bank shares than had been received in any single previous month during the whole period of his connection with the Bank. What inference are we to draw from these circumstances? That there is a general depletion and stagnation of legitimate business? Trade is usually considered a good thing to have and it would seem that we have it in abundance; shipping has often been termed—especially by the hon. member who represents the Chamber of Commerce—as the "life-blood of the colony"—if so the colony is not in any present danger from anaemia; and the circumstance mentioned by the manager of our principal bank points to no lack of general confidence. The inference that I draw is that while individuals have in recent years lost heavily by gambling, the condition of the community at large is sound and progressive. Turning now to indications from revenue, what do we find? In 1882 the revenue was \$1,227,847; for the five years ending with 1886 it averaged \$1,291,407, and for the following five

years ending with 1891 it averaged \$1,863,229. In 1889 the revenue largely exceeded that of any previous year; for 1890 the revenue exceeded that of 1889 by \$33,534; the revenue for 1891 exceeded that for 1890 by \$13,448; and it can be already said with certainty that the revenue for the current year will exceed that of 1891. So far, that is up to the moment at which I am speaking, I can find no evidence of a shrinking, dwindling revenue; on the contrary, what I find is a continuously expanding revenue. It would unduly tax the indulgence of the Council if I were to proceed to analyse the component details of the revenue. I have done so for my own satisfaction and the result has served to confirm the impression that the annually increasing revenue connotes a steady increase of the prosperity of the community taken as a whole. The year 1891 has been described as a year of terrible depression; so far as the revenue returns afford a criterion, the fact would appear to be that during that year, as also in 1890 and 1889, in spite of some persons in the colony having lost a lamentable amount of money through speculation, the colony as a whole progressed. The revenue exclusive of land sales for 1889, 1890, and 1891 averaged \$1,930,769; for 1891, it was \$1,973,540; for 1888 it was only \$1,557,300, and in 1887 it was \$1,427,485. As already stated the average revenue, including land sales, for the five years ending with 1886, was \$1,291,407. As compared with this the revenue, excluding land sales, for 1891—which we are told was a year of terrible depression—was \$1,973,540, which shows an increase over the average revenue for 1882-86, including land sales, of more than 50 per cent. So much for the past and present. As regards the coming year I should state in the first instance that the revenue, which has been put at \$1,906,396, has been estimated with great caution in view of the fact that the Colony was about to contract a loan. It was obviously my duty in the face of that fact to be very careful that my estimate of revenue should be moderate, cautious, and practically certain of realisation. I have every confidence that it will be realised, and I shall be disappointed if it is not exceeded. But moderate as it is that estimate of revenue shows a surplus over the estimated ordinary expenditure. And this estimate of ordinary expenditure, be it observed, is far larger than that of any previous year. As I stated in moving the first reading of the Bill, it provides for loss on exchange a sum of \$77,651 in excess of the provision made in the Supply Bill for 1892. It also includes an entirely new item of \$40,000 to meet charges in 1893 in connection with the proposed loan. A larger provision for pensions by \$5,400, and a more liberal provision for Hospital expenses by \$7,623. —and yet the estimate of revenue, as compared with this unusually large estimate of ordinary expenditure, shows a surplus which

there is every reason to hope may be more than realised. Really, sir, I can see here no ground for alarm and foreboding: rather I see reason for congratulation and satisfaction. But, say the unofficial members, the Colony must be in a bad way because your Excellency has said that a loan is necessary. Certainly a loan is necessary. But does it follow that the Colony is therefore in a bad way financially? Not at all. For what purpose is the loan required? Not for our ordinary expenditure but for expenditure on Public Works Extraordinary. I should like to know in what country in the world it is found possible to construct extraordinary public works of the relative magnitude of those now in progress in Hongkong out of current revenue. Has it been found possible hitherto so to construct them in Hongkong itself? Certainly not. It has been found possible to bring them to their present point only by utilising the balances accruing from our previous loan. In the fact that we are about to contract a loan for Public Works Extraordinary there is no indication whatever that the Colony is in a bad way financially. We are merely about to do what is done in similar circumstances —and properly done—in every country in the world. So far from the Colony being in a bad condition financially I am of opinion that with due provision made, as it should be made, for Public Works Extraordinary by a loan, the Colony will be in a better and a sounder position financially than it has ever been. But, sir, assuming for the sake of argument—not that I can admit it for a single moment—that the unofficial members are correct in their estimate of the financial position, what shall I then say of their action? They say I effect, here is a magnificent Colony going financially to wrack and ruin, and we are bound at all hazards, even by the most drastic remedy, to save it. Quite so; and how do they propose to save it? Why, sir, by immediately reducing certain official salaries to what they were before 1891. And what amount will this reduction give them where with to save the Colony from financial ruin? Your Excellency will scarcely credit me when I tell you what is the fact, although it is unlikely they can have realised it, that the amount which this heroic remedy will place at their disposal for the salvation of the Colony will fall far short of the very modest sum of \$50,000. The gross amount of increases of salaries granted under the general scheme of increase in 1891 is \$51,987. If these increases be taken away, the right to make remittances at 4/2, and to draw pay while on leave at 4/2, and pensions at 4/2 to the dollar, which was withdrawn conditionally on the grant of those increases, will as a matter of course have to be restored. I cannot state the exact extent to which the apparent gross saving will thereby be reduced, but it will be very considerable, and it is probable that the net saving would not exceed \$65,000 per annum. So

that, according to them, the colony is swiftly gliding down a steep slope towards financial ruin, and its fatal course is to be arrested by the immediate reduction of certain official salaries and the consequent saving of some £5,000 per annum. Was there ever a more impotent and lame conclusion? I am almost tempted to ask, whether they can really be in earnest? True, your Excellency intends to effect certain economies in salaries when opportunity offers by the occurrence of vacancies. But why? Because you consider that financially the Colony is on the road to ruin? Not in the least. But because you consider, as you have more than once stated, that the civil service proper is over manned and the clerical service in some instances overpaid; and because all wasteful and excessive expenditure is wrong in any circumstances whatever, and should at the earliest possible moment, without lesion of equity or prejudice to vested interests, be retrenched. If your Excellency concurred in the view taken by the unofficial members of the financial position of the Colony what would your duty be then? Could you, sir, be content with their proposed reduction of certain official salaries producing a net saving of some £5,000 per annum? Would you consider that you had done your duty when you had trundled this mop in the face of the Niagara of impending catastrophe? Hardly. Your Excellency would find it to be your duty to approach the subject in a serious and business-like manner, to devise an effective remedy, to recast the whole of our expenditure, to revise our whole scheme of taxation, and in particular to consider whether some classes of the community were not bearing a disproportionately light share of the general burden. I do not say that the necessity for such action may never arise, but I do most emphatically say it has not arisen at present, that there are no indications that it is near at hand, and that if unfortunately it should arrive your Excellency will meet it with measures which will be at once both equitable and adequate. We have heard a good deal lately, sir, about the desirability of giving the unofficial element a larger share in the government of the Colony. Those who favour that view can hardly fail to deplore the action taken by the unofficial members on the present occasion. For assuredly whatever else it may betoken, it does not betoken any marked capacity for administration. They have in the first place misjudged the financial position, and they have in the second place been content to suggest a remedy which would be utterly inadequate if their judgment of the position were correct. It is almost superfluous for me to add that they could not possibly have chosen a more inopportune time for their ill-omened, declaration. We are just about to go on the market for a loan, and their erroneous estimate of our position is eminently

calculated to prejudice the credit of the colony. If our loan is floated on less advantageous terms than would otherwise have been obtainable, the colony will have to thank the unofficial members for that. I can only hope, sir, that what I have said in reply and the facts and figures I have quoted may serve in some measure to avert the natural consequences of their ill-advised action. It is my desire to treat the unofficial members with all possible courtesy and respect, but I should have done wrong had I allowed that feeling to interfere with my discharge of an imperative public duty. And there is no escape from the conclusion that in proposing the extreme step of immediately reducing certain salaries they have made a proposal which, as they have themselves said, can be justified only by their conviction that the finances of the Colony are in a condition to cause apprehension and which at the same time as a remedy would be ludicrously inadequate if that conviction were well founded. In so doing they have committed a serious tactical blunder and they have done what in them lay at a singularly inopportune conjuncture to injure the credit of the Colony; For the reasons I have stated the Government will vote against the amendment. (Applause.)

Hon. C. P. CHATER—I have listened with very great interest to the remarks of the hon. Colonial Secretary and there are one or two points which I should like to address the Council upon. The first one is the statement in his speech to the effect that the salaries of the officials having been decided upon by the Secretary of State the officials were not going to reduce their salaries until the Secretary of State decided otherwise. A second or two previous to the speech of the hon. Colonial Secretary the hon. member who represents the Chamber of Commerce read out the very words of Lord Knutsford wherein he distinctly states that the salaries were raised on the understanding that they should be reconsidered year by year and that they should be reconsidered at the end of each year for the following year. I contend that that is exactly what we have been doing. I contend that at the meeting of the Finance Committee these salaries were reconsidered and the majority in that Finance-Committee decided that they should be reduced. The next point, sir, that I would like to refer to is with regard to what the hon. Colonial Secretary has said as to the future of the colony. He has told us that the shipping of the port has increased and will probably eclipse anything which hitherto has been the case here. He has furthermore gone into many details and drawn a very rosy picture indeed of the prospects of this colony. No man, I am sure, would be better pleased than I to see that picture realised, but at the same time I look upon the facts and figures. He has given us a large number of figures and I have not been able to follow them up as closely

as I should like, but I take what he has given us in the draft estimates for 1893, and I will first deal with the revenue. There the revenue for 1891 is given as \$2,025,000, for 1892 \$1,982,000—a decided falling off—and that of 1893 is estimated at \$1,906,000. Upon these figures I say that the revenue since 1891 has fallen off. But I go further, sir. The figures given for 1893 of \$1,906,000 are merely an estimate. He has taken the trouble to say that it is a very true estimate, as true as can be—

The COLONIAL SECRETARY—Cautious, I said.

Hon. C. P. CHATER—But I contend that these estimates are very seldom, if ever, realised, and who can tell that this sum, which is less than 1892, and considerably less than 1891, will be realised? I doubt it, sir, though I sincerely hope that it will be. The next thing I come to is the expenditure. There, again, in the same draft estimates which have been handed to us I find the expenditure in 1891 to be \$2,449,000, in 1892 \$2,453,000, and in 1893 to be \$2,316,000. But, sir, in the figures before you, are included the amounts estimated for public works extraordinary, for that is an item which you can raise or lower as you please. You have for public works extraordinary \$581,000 in 1891, \$680,000 in 1892, and what have you this year—\$417,000. Take off the expenditure for public works extraordinary and you have the ordinary expenditure in 1891 \$1,868,000, in 1892 \$2,773,000, and the estimate for 1893 \$1,899,000, which is more than neither 1891 or 1892. Then again, sir, I have not been a great time on this Council but in the short while I have been here I scarcely recollect a single meeting where we have not had financial minutes out before us by your Excellency. These are the estimates for 1893, but how much more has to be paid I cannot guess, but that we have a meeting of the Finance Committee after nearly every meeting of the Council there is no doubt. Only the other day we passed an immense vote for surplus expenditure for 1891. What we shall have to vote at the end of 1894 and 1895 for 1893 I cannot say. Taking these facts into account we decided that the time had come when the fulfilment of the promise, the distinct promise made to us by Mr. now Sir Francis Fleming, by Sir William Des Voeux, and confirmed by Lord Knutsford in the very words which were read out to you a few minutes ago, should be realised, and that is why we come before you and ask you to consider this matter and reduce the salaries to what they were in 1891. There is one other point which my hon. friend has reminded me of. The hon. Colonial Secretary has made light of the sum of \$50,000 and said that surely \$50,000 was not worth the unofficial members haggling about. But, sir, that is not all. We have asked that certain other items be reduced, and putting them altogether it will amount to a largeish sum.

The Hon. T. H. WHITEHEAD—I rise to order. With reference to the hon. the Colonial Secretary's statement as to the increase in shipping I would point out that in the 1893 estimates light dues from the shipping are estimated by Government to realise less than last year and still less than in 1891, thereby shewing that there is a shrinkage in shipping,

HIS EXCELLENCY—The motion has been made that the item of \$41,339 for the Governor and Legislature stand part of the Bill. An amendment has been moved that the item be reduced. Will the members now vote for and against the amendment.

FOR.	AGAINST.
Hon. E. R. Bellios	The Harbour Master
Hon. T. H. Whitehead	The Director of Public Works
Hon. Ho Kai	The Colonial Treasurer
Hon. C. P. Chater	The Registrar-General
	The Acting Attorney-General
	The Colonial Secretary

HIS EXCELLENCY—The amendment is therefore lost.

The original motion was then put and carried by the six official votes against the four unofficial.

HON. J. J. BELL-IRVINGS ABSENCE.

Hon. C. P. CHATER—I may state, sir, that I regret very much the absence of the hon. Mr. J. J. Bell-Irving, who is away on the leave of your Excellency, but I may inform you that I have his authority to state that he would have voted as he did in the Finance Committee if he had been here.

A QUESTION OF PROCEDURE.

The COLONIAL SECRETARY—I beg to move that the item \$35,976 for the Colonial Secretary's Department stand part of the Bill.

The COLONIAL TREASURER seconded.

Hon. C. P. CHATER—Of course we have the same objection as to the salaries right through. I suppose we shall adopt the same course as in the Finance Committee and take the amendment as proposed and seconded every time.

The COLONIAL SECRETARY—As we are now making a law we cannot be too particular and I am afraid we must vote on each item.

The amendment was then put and lost by 4 to 6 and the original motion carried by 6 to 4, which procedure was adopted in the subsequent items, each member recording his vote first upon the amendment and then upon the original motion that the item stand part of the Bill.

THE AUDIT DEPARTMENT.

Upon the vote of \$10,000 for the Audit Department.

Hon HO KAI proposed that the item be struck out.

Hon. T. H. WHITEHEAD seconded.

Amendment lost, and vote carried.

THE CADET QUESTION.

Hon. C. P. CHATER—There is one thing I overlooked, sir, to which I should like to call attention. It was under the heading of the Colonial Secretary's Department and had regard



to the cadets. The question was whether your Excellency would be pleased to inform the members of Council, that if any more cadets should be got out from home, the matter should first be laid before the Council. If so the vote goes through as it stands there. The Colonial Secretary as President of the Finance Committee could not give us that promise before consulting your Excellency. I am sure we should be glad to know that in getting out cadets from home the matter will be brought before the Council. I think it will strengthen your Excellency's hands. We had a very able cadet who took charge of the gaol and who administered its affairs to the satisfaction of your Excellency and I think of the whole colony, and yet the Secretary of State sends out a representative from home to take charge of that office. Cadets are brought from home to learn Chinese and to be in readiness to take any appointment that may be open. This was a good and lucrative appointment, and instead of being filled up by one who had acted in that capacity, and by one who had given every satisfaction not only to your Excellency but to the whole colony, he was, so to speak, ousted, and a rank outsider is sent. I do not know Mr. Lethbridge personally, I dare say he is a very eslfimable man, but he is not one of us and cadets are got out with the special intention of filling these offices.

The COLONIAL SECRETARY—The question having already been put and the item now standing part of the Bill, I am not sure that my hon. friend is in order, but I did not interrupt him, in order that he might have an opportunity of saying what he has said, Your Excellency is not prepared to make any prior communication whatever to the Legislative Council or to agree that no cadet shall ever be asked to be sent out unless the Legislative Council has previously been consulted. When money is required for payment of a salary naturally it has to be provided, if provided at all, by the Council, but the question of whether a cadet should or should not be asked to be sent out is a matter of administration which is entirely outside the province of this Council. I may also mention, though it is a matter of little importance, that neither at the, meeting of the Finance Committee nor again to-day could I see the bearing of the argument to the effect that because a cadet was not confirmed in the office of Superintendent of the Gaol, in which he had acted, it would therefore be well to consult the Legislative Council before cadets are sent out. I can hardly see how asking a question of that kind can present, or would tend to prevent, the Secretary of State from sending out a jailer to Hongkong. I do not see the connection. However, having pointed out that the hon. member is out of order, the vote having been passed, and having also answered his question, to the

effect that your Excellency is not prepared to give any undertaking of the kind desired, I may add that it is exceedingly improbable that the necessity will arise for getting a cadet from home for some time probably not some years to come.

HIS EXCELLENCY—I have made a representation to the Secretary of State to that effect.

VOTES PASSED WITHOUT DISCUSSION.

The votes \$27,092 Treasury, \$93,119 Public Works Department, \$147,766 Post Office. \$25,358 Registrar General's Department, \$60,115 Harbour Master's Department, \$15,268 Lighthouses were passed without discussion, the amendment on the reduction of salaries being in each case defeated by 6 to 4, the voting being as in the first instance.

THE OBSERVATORY

The COLONIAL SECRETARY—In submitting the next item of \$12,352 for the Observatory I have to move that the item be altered to \$12,716. I mentioned in the Finance Committee that it would be necessary to vote £50 or its equivalent which had been voted in 1892 and previous years for telegraphic service in connection with storm warnings but which had been omitted from the estimates in the first instance this year because it was hoped that by establishing direct communication between the Post Office and the Observatory it might be possible to save this expenditure. That proving not to be feasible, it is now necessary to re-insert this £50 or its equivalent. I need hardly add that this will not mean any increased expenditure on this item, the fact merely being that it is not possible to save this amount, as was hoped. I therefore move that the item \$12,716 as altered stand part of the Bill.

The COLONIAL TREASURER seconded.

Item passed, the amendment as to salaries being defeated as aforesaid.

ITEMS UNDISCUSSED.

Items \$4,328 Stamp Office and \$21,642 Botanical and Afforestation Department passed, the amendment as to salaries being defeated as aforesaid.

LEGAL DEPARTMENTS.

The COLONIAL SECRETARY—In moving the item \$71,108 for the Legal Departments I have to make a slight alteration. The Registrar of the Supreme Court has just been appointed at a reduced salary and the vote therefore has to be altered to \$70,508, at which amount I move that the item stand part of the Bill.

The COLONIAL TREASURER seconded.

Item passed, the amendment as to the salaries being defeated as aforesaid.

ECCLESIASTICAL.

Item \$2,200 for ecclesiastical purposes was passed without remark, there being no salaries affected.

EDUCATION AND MEDICAL.

Items \$78,767 Education and \$83,271 Medical departments passed. the amendment as to salaries being defeated as aforesaid.

## TWO MAGISTRATES OR ONE?

The COLONIAL SECRETARY—I beg to move that item \$25,172 for the Magistracy stand part of the Bill.

The COLONIAL TREASURER seconded.

Hon. HO KAI—I have to move the reduction of the vote by \$5,172, and that there only be one Magistrate instead of two. I do not think that we need two. One was sufficient to discharge the work of both. It has been done and it was done to the satisfaction of everybody and without prejudice to anybody and without any waste of time to the legal profession or their clients. The Magistrate as a rule could finish his work every day at something like three o'clock, as I am informed, and on an average I believe he could get through his work between the hours of nine and four in the afternoon with the proper time allowance for tiffin. As your Excellency says when vacancies occur you will either amalgamate offices or reduce them, this, I believe, would be a very good opportunity for your Excellency's consideration.

Hon. T. H. WHITEHEAD seconded.

The COLONIAL SECRETARY—What you mean, I understand, is that that item appearing for the second Magistrate be struck out? The Governor has some hope that it may be found at some future time possible to make permanent arrangements by which the whole of the work of the Magisterial Courts shall be discharged by one officer, but he is not at present in a position to make that alteration and cannot therefore accept the amendment that the salary of the second magistrate be struck out. I may mention that his Excellency has neither filled up the appointment nor recommended the Secretary of State to fill up the appointment; and the duties of second magistrate are at present discharged by an acting officer who is drawing only \$1,500 a year from the vote, whereby a considerable saving has already been effected to the colony. As I say, if the amendment is pressed to a division the Government will have to vote against it.

Hon. HO KAI—I will withdraw the amendment. I am quite satisfied with His Excellency's intention.

Item passed. the amendment as to salaries being defeated as aforesaid.

## MISCELLANEOUS ITEMS.

Items \$228,872 Police. \$58,884 Gaol, \$20,482 Fire Brigade, \$64,445 Sanitary Department. \$5,200 Charitable Allowances, \$3,000 Transport passed without discussion, the amendment as to salaries (on the votes to which it applied) being defeated as aforesaid.

## REUTER.

On the item \$83,192 for Miscellaneous Services.

The COLONIAL SECRETARY said—At the meeting of the Finance Committee some observations were made by the hon. member who represents the Chamber of Commerce as to the service of telegrams supplied by Reuter. I do

not know whether the hon. member will deem it necessary to repeat them again, but I may say that we agreed that though the service was as unsatisfactory as it is possible to be we would recommend the vote this year in the hope that Reuter might be induced to mend his ways.

Item passed.

## THE VOLUNTEER VOTE.

On item \$294,353 for Military Expenditure.

Hon. T. H. WHITEHEAD said—I beg to move that the vote for the Volunteer force and Colonial defences be reduced from \$12,000 to \$5,000 as it was in 1890 for the reasons I stated at the meeting of the Finance Committee of Council.

There being no seconder to this amendment it was declared lost.

Item passed.

## PUBLIC WORKS RECURRENT.

Item \$160,100 for Public Works Recurrent passed without discussion.

## PUBLIC WORKS EXTRAORDINARY.

Items under the head of Public Works Extraordinary, namely. \$120,000 Central Market. \$65,000 Praya Reclamation, \$13,000 Drainage of Recreation Ground, Happy Valley, \$45,000 slaughter-house and sheep and pig depots, \$5,000 new water mains, \$60,000 Sewerage of Victoria, \$45,000 Water Supply of Kowloon, \$4,000 Tytam Reservoir, Clear Water Channel, passed without discussion.

## THE GAOL EXTENSION

The COLONIAL SECRETARY—I beg to move that item \$60,000 for Gaol Extension be deleted. Hon. members will remember that I informed them in Finance Committee that His Excellency had consented to this item being left out of the Bill inasmuch as he has agreed to receive a memorial on the subject from the unofficial members.

The COLONIAL TREASURER seconded  
Agreed.

## THE THIRD READING OF THE BILL

The totals of the ordinary expenditure and the total expenditure (inclusive of public works extraordinary) having been altered on formal motions, in accordance with the emendations made, the preamble of the Bill and Section 1 providing the appropriation of \$2,316,611 were also altered to read \$2,256,375.

The COLONIAL SECRETARY then reported the Bill as amended in Committee, and moved the third reading of the Bill.

The COLONIAL TREASURER seconded.

The general amendment as to the reduction of salaries to apply to the total of the Bill was then put and defeated as aforesaid.

Bill read a third time and passed.

Hon. T. H. WHITEHEAD—I beg to give notice that a protest from the unofficial members will be laid on the Council table in connection with that Bill.

## SUPPLEMENTARY APPROPRIATION BILL, 1891.

The Bill having passed in Committee without amendment, the Colonial Treasurer reported it

accordingly, and moved the third reading of the Bill.

The COLONIAL SECRETARY seconded.

Bill read a third time and passed.

ADJOURNMENT.

HIS EXCELLENCY—The Council now stands adjourned until this day fortnight.

FINANCE COMMITTEE.

A meeting of the Finance Committee was held immediately after the rising of the Council, the Colonial Secretary taking the Chair.

The CHAIRMAN—The Governor recommends the Council to vote a sum of \$1,3??8,25?? to meet the charges made by the Water and Drainage Department against the Sanitary Department, for the supply of water to various Markets during the current year. We have passed one or two votes of a similar nature during the past few months and as the committee is aware they involve no additional expenditure. It is merely a matter of account and what is paid by one department is received by another.

Vote passed.