

HONGKONG LEGISLATIVE COUNCIL.

28TH NOVEMBER, 1894.

PRESENT:—

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

Hon. J. H. STEWART LOCKHART, Acting Colonial Secretary.

Hon. W. M. GOODMAN, Attorney-general.

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

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

Hon. R. M. RUMSEY, Harbour Master.

Hon. C. P. CHATER.

Hon. Ho KAI.

Hon. J. J. KESKICK.

Hon. E. R. BELLIOS, C.M.G.

Hon. A. McCONACHIE.

Mr. J. G. T. BUCKLE, Acting Clerk of Councils.

MINUTES.

The minutes of the last meeting were read and confirmed.

PAPERS.

The following papers were laid on the table:—The Colonial Surgeon's Report for 1893, Statement of Water Account 1893, and Correspondence relative to the conversion of part of the 4 per cent. debenture loan of £200,000 of 1886 into 3½ per cent. stock.

FINANCE.

The ACTING COLONIAL SECRETARY laid on the table several financial minutes and moved that they be referred to the Finance Committee.

The COLONIAL TREASURER seconded.

Carried.

THE WATER SUPPLY.

Hon. E. R. BELLIOS—I beg to give notice of my intention at the next meeting of this Council to ask the following question:—"Have the Government, in view of the statements and recommendations contained in the recently received letter from Mr. Osbert Chadwick on the water supply of this colony, decided to consider the expedience of putting meters in all the houses to which it is laid on, for the purpose

of preventing waste?"

PROPERTY IN TELEGRAMS.

Hon. A. McCONACHIE—I beg to give notice that it is my intention at next meeting of Council to introduce and move the first reading of a Bill entitled "An Ordinance to enforce in certain cases the rights of property in telegrams." Draft copies of the Bill will be circulated amongst members immediately.

THE GOVERNOR'S SPEECH.

HIS EXCELLENCY said—Gentlemen, I propose to lay on the table of this Council either on Monday, 3rd December, or Thursday, 6th December, the Estimates for the year 1895, together with the Appropriation Bill. As I am now in a position to do so and as the public is naturally anxious to know the position of the Colony, I propose this afternoon to place you in possession of the financial position of Hongkong and make the usual speech delivered by the Governor at the commencement of the Session. If you will refer to your Hansards you will see that at the close of my speech to you on the 4th December last, I said, "It is my earnest desire, in which you will all cordially join, that still brighter and happier times may, at no distant date, be in store for all classes of the Residents in this Colony." Well, the brighter and happier times which we all then hoped for have certainly not yet dawned upon the Colony or upon us. As a matter of fact the year 1894 is not likely to be soon forgotten by the community by reason of the disasters which occurred within it. It was ushered in by a rapid fall in the value of silver. From 2/4 the dollar fell to 1/11 $\frac{3}{4}$, a violent fluctuation which was most detrimental to business and which seriously affected the public revenue, which had been estimated on a 2/6 rate. No sooner had a certain amount of stability been established on a low basis of exchange than the Colony was visited with pestilence in the shape of the bubonic plague. The incidents connected with this calamity are so fresh in the minds of all that it is not necessary to do more than to refer to them cursorily. Besides carrying off over 2,500

victims in the island alone, this scourge caused an unparalleled exodus from our shores of some 50,000 or 60,000 Chinese. The effect was felt in every branch of business, and, as I have stated in another document on the subject, the loss to the public revenue, to bankers, merchants, traders, shipping companies, the owners of property, and the labouring classes can never accurately be determined. Hongkong was, as it were, "boycotted" in every direction. The quarantine restrictions imposed against us by some other ports were unnecessarily severe, due, no doubt, to exaggerated accounts of the plague, which, after all, was not proved to be highly infectious except in the case of those living in unhealthy surroundings. Vessels were by such means driven as it were from the harbour, and all concerned with shipping interests down to the humblest labourer must have suffered, at all events temporarily, considerable pecuniary loss. Then, gentlemen, when the plague had ceased, war unhappily broke out between China and Japan. In consequence of the outbreak of hostilities between these Powers, it was anticipated that there might be a revival and an increase of our trade, but I believe I am justified in saying that that expectation has not been realised to any great extent as yet. The Colony has also been visited by several typhoons, one of which, viz., that of the 4th and 5th October, being of great severity, did a considerable amount of damage to property, though it was unattended with any serious loss of life. These misfortunes, followed by the premature death of the lady holding the highest position in the Colony, will cause the year 1894 to be remembered on all sides as one of the saddest and most disastrous in the records of the history of Hongkong.

It is not surprising, therefore, that I am obliged to present you with a somewhat unfavourable statement of our financial position. It is not, however, nearly so unfavourable as might have been expected. There is, undoubtedly, a marvellous recuperative power in this small but valuable possession of the Crown, for had it not been for the actual expenditure on account of the plague—some \$150,000—and the fall of silver below 2/6, the rate at which the Estimates for 1894 were prepared, which is accountable for another \$150,000, I should have had to announce to you a probable surplus of revenue over expenditure in 1894 of some \$200,000. I am not, however, able to do so, and some additional taxation is consequently unavoidable. The Estimated Revenue for 1894 at 2/6 was \$2,007,210 and the Expenditure \$1,998,745, showing a probable surplus of \$8,465.

From the latest returns the following will approximately be the amounts:—

Revenue \$2,186,506, \$179,000 more than the estimate, Expenditure \$2,252,912, deficit \$66,406. Of the above Expenditure \$150,000, as I have said, was spent in grappling with the plague; \$150,000 is owing to depreciation from 2/6 to 2/1 the dollar, and about \$22,000 is owing to loss of Rates, Crown Rents, &c., caused by the plague.

For 1895 I have taken 2/1 as the probable average value of the dollar, and the Estimated Returns will be as follows:—

Revenue \$1,999,076. Expenditure \$2,041,637, — showing a deficit of \$42,561. On account of Public Works Extraordinary a further sum of \$24,670 will be required, making the deficit \$67,231. This deficit is nearly accounted for by the falling off in the Opium Revenue, which shows a decrease of \$54,800. The farm will be let from the 1st March, 1895, at \$286,000 a year instead of \$340,800.

I propose to meet the deficit of \$67,231 in the following way.

1.—By an increase of stamp duties, which is expected to yield \$40,000 a year; (2)—By an increase in fees to be paid for Spirit Licences, estimated to yield \$16,500 per annum; and (3) by an increase in pawnbrokers' fees, yielding \$23,950 a year. These sums amount altogether to \$80,450, so that the additional taxation will not only cover the deficit but give a surplus of about \$13,200. I have already submitted these proposals to you, gentlemen, the unofficial members of Council, and you have expressed your concurrence in them. I may remind you that at the same time you expressed yourselves not averse to still further taxation by way of an increase in rates, a small tax on European shipping, and one also on kerosine if it was necessary to impose them. I am very glad indeed to say that these additional imposts will not now be necessary. For the assistance that you rendered to the Government on the occasions of our meeting to discuss these matters I beg to return you my grateful thanks. When such happy relations exist between the official and unofficial members as now obtain, the duties of a Governor are rendered far less laborious and irksome than they would otherwise be.

The chief liability which the colony has been obliged to incur in connection with the plague has been that which will arise out of proceedings under the Taipingshan Resumption Ordinance. That Act is now in operation, and during the ensuing year arrangements will have to be made for covering the expenses thrown upon the colony by its provisions.

The object of the Ordinance is, as you are aware, to permit the resumption by the Crown of a certain prescribed area of the city of Victoria which was one of the filthiest and most overcrowded spots in the colony, and consequently the centre of the plague. The necessity of the resumption was apparent. According to the best advice available to the Government, the houses in the neighbourhood were infected. Many of the buildings were small, dark, badly drained and ventilated, and many quite unfit for human habitation. It is obvious that whether the wholesale or partial

destruction of the buildings and realignment of the streets is eventually decided upon, the work must be under one controlling power, and that power must be the Government.

The resumption of the property, and the consequent provision for compensation for such resumption, was therefore obligatory.

The area comprises roughly speaking 400,000 square feet, or 10 acres of land, and the amount of compensation has been roughly estimated at between seven and eight hundred thousand dollars. This sum, together with the incidental expenses of the Arbitration Board and its officers, will have to be provided hereafter. It will probably be advisable to raise a loan for that purpose, and in that case I hope that the Colony will be able to meet the interest on it out of the excess of income over expenditure which will accrue from year to year. For the moment, no doubt, this expenditure seems very heavy. but if the steps taken in regard to the resumed area prevent, as it is confidently hoped they may, a recrudescence or recurrence of the disease, no expenditure of money and no sacrifice of time can be deemed too costly or too great.

On the other hand we may certainly look in the future if not for a complete reimbursement of the sums expended, at any rate for a considerable reimbursement by the readjustment of premia and Crown rent on the sale of the property resumed.

Until the survey of the area which is now proceeding is completed, and a definite line of action decided on, it is impossible to give any precise figure as to the amount the property will bring in on its resale. Whatever may be the result of the resumption and the operations connected therewith which I have endeavoured to describe we shall feel that we have done our best honestly to rehabilitate a neighbourhood hitherto pre-eminent for its filth and unhealthiness, and we may be sure that the money expended will not have been expended in vain.

I will now explain the intention of the Government in respect to Taitam Reservoir. An insufficient supply of water is considered to rank among the several defects of sanitation with which we have had to deal. To meet this defect the Government proposes as soon as possible to raise the existing Reservoir dam at Taitam by 12 feet 6 inches. We propose also to construct a weir 10 feet above the level of the existing one and to surmount the same by a moveable sluice capable of raising the top water level of the reservoir to a height of 12 feet 6 inches above its present level. It is anticipated that these works under normal conditions will increase the storage capacity of the reservoir by 78,000,000 gallons, and possibly by the use of the sluice by 98,000,000 gallons. The total storage capacity of Taitam Reservoir alone will then be 400,000,000 gallons. The cost of these works is estimated at \$60,000, an amount which can be fairly charged against the Loan of 1892. This matter will be laid before the Public Works Committee of

this Council this afternoon. I take the opportunity of laying on the table a report on the subject of the Water Supply by the consulting engineer (Mr. Chadwick), and I think you will find his remarks in reference to the evils of the intermittent system and the necessity of preventing unnecessary waste instructive and apposite to the circumstances of Hongkong.

I now come to an extremely interesting question and that is the construction of the Sanitary Board. I need not say that this subject has engaged the most earnest consideration of the Government, and I have consulted you, gentlemen, and have obtained your written opinions in regard to it. You will remember that the Retrenchment Committee, after a searching enquiry into all the Departments of the public service, directed my special attention to the Sanitary Board. The Committee suggested that the whole sanitary system should be placed on a different basis; that all sanitary arrangements should be placed in the hands of one thoroughly competent officer who should be personally responsible to Government for all matters connected with the health of the Colony and for carrying out all sanitary laws and regulations. The majority of the unofficial members of this Council appear to concur in that view, and favourable as I am personally to municipal and representative institutions where they can be safely established, I am bound to say that I consider that their opinion is one that should, in this instance, be acted upon. So far as my experience goes, this Colony stands on quite a different footing, in regard to sanitary matters, from other Colonies with which I am acquainted. The really great difficulty in connection with matters of sanitation in Hongkong arises out of the customs of the Chinese population. You can neither make people sober nor clean by Act of Parliament, and sanitary arrangements in this Colony with its 200,000 Chinese inhabitants must be subject to constant supervision and superintendence by a large staff of officers working under a head, who must give his whole time and energies to the duties of his office. That a Sanitary Board, meeting once a fortnight, could properly control and direct such a staff, I do not believe, and that four or five independent gentlemen could be found who have the time and inclination to devote several hours daily to such a task is beyond the bounds of possibility. I hope shortly to be in a position to inform you definitely what steps it has been decided to take to place the Sanitary Board on a new basis.

The Government is indebted to the Retrenchment Committee for its valuable report on the expenditure of the Colony and the possibility of effecting economies in its administration. I have forwarded the report to the Secretary of State, and have submitted most of the recommendations

of the Committee for his Lordship's favourable consideration.

Gentlemen, there are one or two other matters connected with trade, education, crime, and exchange compensation to which I feel bound to refer, but I will do so as briefly as possible. Trade, as represented by shipping and emigration, received, as I have already stated, a severe check in the spring and summer of this year. Emigration was practically stopped for four months and trade to the adjacent ports was disorganised by the quarantine restrictions imposed, and by the absence of numerous Chinese merchants who fled from the Colony. Notwithstanding these hindrances, however, vessels with a total tonnage or no less than 11,813,136 tons passed in and out of the waters of Hongkong during the ten months ending the 31st October last. The cargoes of these vessels aggregated 6,209,191 tons, being a difference of 111,755 tons of shipping and 98,512 tons of cargo as compared with the same period in 1893. If we exclude the junk trade from this calculation, and it was naturally most affected by local causes, the difference between the first ten months of 1894 and 1893 would be 24,000 tons of cargo in favour of 1893. The revenue collected by the Harbour Department to the 31st October last was \$4,000 less than that collected during the same period in the previous year.

The educational work of the Colony was also temporarily paralysed. An endeavour was made to counteract the panic that set in at first by keeping the schools at work in spite of the diminished attendance caused by the removal of Chinese families from the Colony. Since September, the schools throughout the city are filling again by the return of fugitives, and in a few months more the decadence will be made good by the recuperative force which is evidently inherent in the educational movement. For reasons connected with retrenchment, three Government schools have been permanently closed. Of the grant-in-aid schools 9 were closed, but 7 new schools have taken their place. Queen's College will, I believe, shortly be placed under the direction of a Governing Body, and the Police School has come under the inspection of the Education Department. There are now 21 Government schools and 100 grant-in-aid schools at work in the colony, in addition to a considerable number of private schools.

In regard to crime I may observe that there has been a marked decrease in the number of serious offences brought to the notice of the Magistrates. Larcenies, burglaries, kidnapping, offences against the Women and Girls' Protection Ordinance, all show a decline up to the 31st October as compared with 1893. Many of the offences that did occur were directly attributable to the plague and its attendant circumstances, whilst, on the other hand, much of the decrease is doubtless owing to the existence of that scourge and the flight of the criminal population. Nevertheless, during every month of the year (to the end of Oct.), crime appears to have been at a satisfactorily low ebb. Within the last three weeks, I regret to say there have been

several most serious cases which, we may be sure, will be dealt with rigorously.

With the exception of a new Public Health Ordinance, it will not be necessary to trouble you with much legislation during the ensuing session. This is an announcement that you will receive with satisfaction.

The question of exchange compensation is one of some difficulty, not to say delicacy. You are aware that it has been granted in Ceylon and the Straits Settlements, and the Retrenchment Committee suggested that when a favourable opportunity occurred, it should be extended to the Civil Service of Hongkong. The Marquis of Ripon has agreed to terms which, not being so favourable as those granted to the Straits Settlements, the majority of the Hongkong Civil Servants have at present declined to accept, whilst others, to the number of 55, have agreed to accept them. You will be asked by the Senior Unofficial Member to vote \$80,000 on this account, a sum sufficient to cover the compensation to be awarded to all the officers entitled to it. Not nearly the whole of that amount will be required unless the officers who now reject the offer agree, later on, to accept it. For this year the cost can be paid out of balances, which stand, in round numbers, at the very satisfactory figure of \$600,000, exclusive of all monies derived from loans. The compensation is as follows:—In future half of an officer's salary while on active service will be calculated at 3/, and his salary when he is on leave of absence will be paid at the same rate. In the Straits Settlements 4/ is to be granted to officers on leave. The majority of public officers in Hongkong consider that they are being treated in this respect less favourably than their brother officers in the Straits. They have, consequently, memorialised the Secretary of State, and it is hoped that his Lordship will reconsider his decision in the matter, as the principle of higher remuneration has been recognised in the other Eastern Colonies and the amount involved is only about £1,400 a year.

In conclusion, gentlemen, I thank you for the attention with which you have listened to my somewhat lengthy statement. In these very critical times it would be rash to attempt to forecast the future, but it seems quite possible if not probable that one of the results of the present war will be an expansion of commerce. In that case it is not too much to hope that Hongkong will have its full share in any such development.

I shall faithfully co-operate with you in any measures having for their object the public good, whilst on the other hand I shall rely upon

you to assist the Government in all matters which may be conducive to the welfare of the community.

War with its attendant horrors still overshadows the North of China, Korea, and Japan, and the clouds of the recent pestilence in our midst cannot yet be said to be thoroughly dispersed.

Whilst we trust that Great Britain and the other Western powers may not be involved in the former we hope for the merciful preservation of Hongkong from a recurrence of the latter.

Whatever happens, however, we must be prepared at any cost to do our best to guard the public health from danger, to meet any difficulties that may arise, and above all to protect, cherish, and, if possible, develop the large and valuable commerce of this important Colony. (Applause).

APPOINTMENT OF STANDING COMMITTEES.

His EXCELLENCY appointed the standing committees as follows:—Law Committee—The Attorney-General, the Registrar-General, Hon. J. J. Keswick, Hon. Ho Kai, and Hon. E. R. Belilios, Public Works—The Director of Public Works, Hon. C. P. Chater, Hon. E. R. Belilios, and Hon. A. McConachie.

ADJOURNMENT.

His EXCELLENCY then adjourned the Council until Thursday, 6th December.

FINANCE COMMITTEE.

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

THE QUEEN'S STATUE.

The CHAIRMAN—The first minute to be considered is one in which the Governor recommends the Council to vote a sum of \$8,500, for the purpose of erecting the statue of H. M. the Queen on the reclaimed land in front of the City Hall. It is unnecessary for me to remind members of Council that in connection with the celebration of the Jubilee of Her Majesty, in addition to fetes and illuminations it was decided to commemorate the occasion by a permanent memorial in the shape of a statue of Her Majesty. Mr. Raggi, who achieved such a success in connection with the Beaconsfield statue, was entrusted with the work, and those who had the opportunity of seeing the statue when it was exhibited in London inform us that Mr. Raggi has completed the work in a satisfactory manner and that the statue is worthy of the occasion it is desired to commemorate. At the time it was decided to have this memorial it was also agreed that the most suitable site for it would be the ground in front of the City Hall. At that time work on the Reclamation had not been begun; since then that portion of the Reclamation has been completed, and the Council is now asked to vote a sum for the purpose of erecting the statue of the Queen on that site. I move that the Committee recommend the vote.

The COLONIAL TREASURER seconded.

Hon. J. J. KESWICK supported the motion.

Carried.

EXCHANGE COMPENSATION.

The CHAIRMAN—The next minute is one in which the Governor recommends for the consideration of the Council the vote of a sum of \$80,000 in respect of compensation for the fall in the exchange value of the dollar to officers domiciled in the United Kingdom and other gold using countries. In view of the remarks of His Excellency the Governor in the speech he has just made in the Legislative Council I do not think it is necessary for me to give you any explanation of what is intended by this vote. This question has been before you so long that you are quite familiar with it. It was brought forward by the Colonial Secretary in September, 1893. It was then discussed and also again at the beginning of this year when it was decided that pending the inquiry of the Retrenchment Committee no action should be taken in the matter. It now comes before you to-day and I shall be glad to hear what hon. members have to say on the subject.

Hon. C. P. CHATER—His Excellency has recommended for our consideration to-day a vote of \$80,000 in respect of compensation for the fall in exchange to the civil servants for the year 1894. The Secretary of State for the Colonies has suggested that this measure should be passed, and we are aware that it has already been applied in India, Ceylon, and the Straits Settlements, which places indeed have granted their civil servants more favourable terms than is proposed to be done here. Hon. members will of course remember that this question was first mooted quite early in the year, but an amendment was carried to the effect that its consideration should be postponed until after the Retrenchment Committee had been appointed and had given its report. As a member of that Committee I may mention that this matter was most carefully gone into and discussed by that body and it was decided that it was advisable it should be adopted if the colony could afford it. From the annual financial statement which His Excellency has just placed before us it is very satisfactory to learn that we can afford this extra expenditure. It appears that if it had not been for the unforeseen and heavy expenses attendant on the plague and the further material fall in silver we should have had a very large surplus of revenue over expenditure for this year, and that as it is, the deficit is not a very large one, while the estimates for 1895, after providing for exchange compensation, actually show a surplus, and further, we have at our credit, exclusive of loan moneys, balances here and in London amounting to over six lakhs of dollars. This being the case, I certainly am of opinion that we can afford this compensation, and it would therefore be ungracious on our part not readily to acquiesce in it; and besides

we must remember that we cannot expect to get good officers if we do not give them adequate remuneration. I have therefore much pleasure in proposing this resolution, and in doing so I am expressing the unanimous wish of all my unofficial colleagues, and I may add that this opinion of ours has not been formed hurriedly but after several meetings and long and careful discussions. Sir, I propose that this vote be passed.

Hon. J. J. KESWICK—I have much pleasure in seconding the resolution of my hon. friend opposite, and in doing so I wish to say I consider the figures laid before us of the estimated revenue and expenditure seem fully to bear out the belief that the colony is in a position to afford this compensation to its civil servants. It seems unnecessary for me in seconding the resolution, to say more than this.

Hon. HO HAI—Sir, I think I should say a few words in supporting the motion to explain why I do so. The subject was brought before us on the 15th March, 1894, and if you refer to the Hansard for that date you will find that all the unofficial members were of one opinion, and that was, that it would be a fair thing, and a just thing, to allow the civil servants the compensation known as exchange compensation if the Colony could afford it, but at that time we were in the dark as to the revenue of the colony, and also there were some matters we wanted to inquire into. Now, until a few weeks ago, when this subject was again mooted, I had my doubts whether the revenue of the colony could afford it, and whether, if it could afford it for 1895, we could afford to pass a retrospective resolution making the compensation payable for 1894. I may confess at once, though I may be charged with being ungracious, that I held out very strongly against the resolution until we had certain information from the Government as to how we stood. Well, we had information furnished to us, which has been borne out by the speech of H. E. the Governor to-day, showing that although the revenue of the Colony seemed to show a deficit this year, and also probably next year, that deficit is entirely due to the extra expenditure necessitated by the plague. And what I attach more importance to still is the increase of taxation not being very great and not being in the line to which I strongly objected. I may take this opportunity to state that it was owing to the impression that new taxes would have to be imposed and that the municipal rates would have to be raised one or two per cent. that I strongly opposed this vote. But finally we were assured that that was not necessary, and with the enormous funds we have in hand, \$600,000 as stated by His Excellency, I think we can afford \$80,000 for exchange compensation to the civil servants. It is for this reason I support the motion, although, as I said, I strongly objected to it at first. As to 1895, although there is an expected deficit—

The CHAIRMAN—No deficit; there is an estimated surplus for 1895.

Hon. HO KAI—I thought it was an expected deficit, but however, that makes it all the stronger. If we grant the \$80,000 for this year, in 1895 I suppose the surplus is made up after adding to the expenditure the same amount of \$80,000, so that next year we shall have no deficit even with this \$80,000 added. That is a very healthy sign. I for one was very pleased to hear it, and I cordially support the resolution.

Hon. A. McCONACHIE—When I read the report of the Retrenchment Commission I entirely agreed with its recommendation to the effect that compensation should be allowed so soon as the finances of the colony would permit. From the very satisfactory figures just laid before us, and on which I congratulate the Government, I am pleased to find that we can to-day vote the amount without any greatly increased taxation, and consequently I support the resolution.

The COLONIAL TREASURER—Sir, I should like to make a few remarks with regard to the offer at present before the service. I should be very sorry if any vote of mine given to-day should give the impression that the Service was satisfied with the offer that has been made; on the contrary, so dissatisfied is it that only a very small minority have been found willing to accept its terms. We see no reason why we should be treated in the matter of Exchange Compensation in a less favourable way than the Civil Servants of India, Ceylon, and the Straits Settlements have been (hear, hear,) unless indeed the reason is to be found in the report of the Retrenchment Committee which insinuated that the finances of the colony were not then in such a position as to enable us to be treated in the same way. That insinuation, I think, must have been due to a want of information as to the state of the colony, and as I as Treasurer was not applied to for any figures bearing on its financial position I must presume that the members arrived at their conclusions without having paid very much attention to the actual state of the case, for I maintain, sir, that the colony is very well able to offer its civil servants as favourable terms as those granted to the civil servants in the neighbouring colonies and India. I say, sir, and I hope I may be excused the warmth of my language, I consider we are placed as regards our remuneration in an absolutely despicable position. We have to keep running, cap in hand, between the Colonial Office and this Chamber begging that the Service of a colony called first class may obtain something like a fair rate of pay. I can imagine nothing better calculated to destroy the prestige of the Service and impair its efficiency. I have often thought it would be a good thing if a Commission, whether Royal or appointed locally matters not, would sit to decide what class of civil servants was desired for this colony. If the same class as that which joined for merly is desired then I maintain that the

pay must approximate more closely to the pay we drew formerly. If it is considered that an inferior class of servants would be quite sufficient for the needs of the colony well and good, though I doubt whether the colony would be satisfied when it got it. One advantage would be that the applicants would know once for all whether they were to regard their offices as first class, second class, or third class appointments. At present I maintain, and I challenge any unbiassed critic to contradict me, that, while our appointments are held out to us as first class, the pay attached to them is by no means of that nature. The consequent dissatisfaction existing throughout the entire Service seems very natural. I would like, in order to show that it is not merely a case of the wish being father to the thought, to put before the members of this Council the difference between our pay now and what it was when I joined the service, and for this purpose I think it reasonable to take 50 per cent. of our pay as the portion required directly or indirectly for gold disbursements. Now I find, that notwithstanding the increases that have been granted to us in dollars the amount which an officer can remit has fallen in the following ratio. To begin with H.E. the Governor, in 1882 (the date at which I joined the service) with exchange at 3s. 9 $\frac{1}{4}$ d., he could remit with half his pay £2,262, to-day, with exchange at 2s. 11d. £1,302; the Colonial Secretary, in 1882 £679, to-day £506; the Colonial Treasurer, in 1882 £566, to-day £250; the Surveyor-General, in 1882 £543, to-day (the Director of Public Works) £347; the Postmaster-General, in 1882 £452, to-day £23¹; the Registrar-General, in 1882 £566, to-day £354; the Harbour Master, in 1882 £452, to-day £281; the Chief Justice, in 1882 £1,131, to-day £625; the Puisne Judge, in 1882 £769 to-day £437; the Registrar of the Supreme Court, in 1882 £513, to-day £281; the Attorney-General, in 1882 £452, to-day £437, but as the Colony now insists on getting the whole of his service instead of a portion only as formerly he stands in the same position as the others; the Captain Superintendent of Police, in 1882 £475, to-day £281; the result being, sir, that after allowing for the increase in dollars we have received, the average loss to those leading officials amounts to £300 per head per annum. It follows that, either we were grossly overpaid when we arrived or that we are grossly underpaid now, and I maintain that the latter is the case. Now, what is the offer of the Secretary of State? Is it to restore us to the position we held when I came? Far from it. The result is to reduce the loss I have shewn by some 54 per cent., but only on the condition that we shall suffer a new loss of from 25-28 per cent. on our leave pay. I do not think any member of this Council would propose that of his own initiative. I can only suppose that the Secretary of State has done so under the impression that the financial condition of the Colony was desperate and that the drawback was necessary. That drawback amounts to £1,400, which is to be taken from the Civil Service and distributed amongst the people of this

Colony. The reply of the large majority of the civil servants to this offer is that the proposed increase by no means places us in such a position that we can afford to lose 25.28 per cent. of our pay when in England. The expenses of removal are considerable, especially with a wife and children, and it seems the least suitable time to reduce one's pay. If the Colony was really in financial straits, and could not afford for a time to maintain the pay of its Civil Service, as has at times happened in other colonies, of course we should expect to bear our share of the loss, but the colony has never been, since I came to it, in such straits, and it is not in such straits now, and the Service therefore earnestly hopes that the Secretary of State will grant us at least as favourable terms as have been granted to the Straits Settlements, Ceylon, and India, even with which, we shall, as I have pointed out, not be restored to the position we occupied when I came to the colony. I therefore wish to say that I merely vote for compensation to the Civil Service to the extent of \$80,000 and by no means intend to imply that I concur in the other part of the proposal, namely, the reduction of leave pay, which is at present no more than sufficient for our needs.

The HARBOUR MASTER—I merely wish to say for what it is worth that my vote will be given in the same way as that of the Treasurer, and for this amount of money, which is by no means, in my opinion, what we have a right to expect. I merely vote for that sum without prejudice to any other opinion that may be expressed later on as to the pay at home.

The ATTORNEY-GENERAL—I should like to say a few words on this vote. There seems to be a general impression abroad that within the last two or three years a very large percentage, some 35 per cent., has been added to the salaries of the officers of the Government and that consequently, even if the dollar has fallen somewhat in value, they must set off the one thing against the other and consider themselves fairly well off as a whole. I do not think that those who hold that view have very carefully gone into the matter. In some instances 35 per cent. was added. I have never seen it stated that to counterbalance that there were various conditions imposed on those who accepted it, namely, a considerable reduction in their leave pay and compulsory joining of the Widow and Orphans Fund, which takes 4 per cent. of their salaries. Not all officers receive this increase. It is unpleasant to refer to personal matters and I would not mention my own case did I not think it a duty to prevent misapprehension, because I feel sure the people of Hongkong would be the last to refuse what they know to be right. It is because they do not know the circumstances that this misapprehen-

sion exists. In the 1877 blue book the salary of the Attorney-General of this Colony was in sterling; it was £1,000 per annum sterling, in addition to which he received several fees, and he had private practice. In 1881 there came an able man here who stayed a long time, the Hon. E. L. O'Malley. Before he came an alteration was made and the £1,000 sterling was changed into \$4,800, but allow me to point out that at that time, as you will find if you refer to your tables of exchange, it was precisely the same thing. There was scarcely any difference at all in the gold values of those two salaries; still, he had his fees and his private practice. I do not know what that was because I was not here. I came under these circumstances. I had a telegram when I was Chief Justice of another colony offering me this appointment, I was not to have private practice, but I was to have \$7,800 per annum. I had no means at the time of inquiring whether fees would be payable to me. I had been Attorney-General in another colony where fees were a valuable part of my emolument. I came here, and when I got here, I was told that all fees received for trade marks, etc., would have to be paid into the Treasury. I remonstrated at the time that I had not been informed of that, but I was told, "That is what you have to do," and accordingly I did it. I have now held the office, with some holidays and interregna when I was acting in other offices, for nearly five years. I have had a rise in my remuneration, but not 35 per cent. The salary was changed from \$7,800, the exchange at that time being 3s. 2d., to \$8,400, that is, \$600 more than when I first came here, all fees being carefully excluded. If I win an appeal, as I did the other day, and costs are recovered from the other side, they go into the Treasury not into my pocket. So the increase in dollars has been some $7\frac{3}{4}$ per cent., and now the dollar has fallen to 2s. 1d., a loss of more than a shilling on every dollar I receive. I have a family at home for which I have to make remittances, and the loss to me is very great, so grave indeed that I am not sure I should have come here if I had known that my promotion at the end of over four years' hard work would be a sterling loss of income of £360 per annum as compared with what I received on my arrival. And now comes this offer. It becomes me to speak of it with all respect, as made by my official superiors. I have not accepted it. There were two things promised me when I came, first, that I should receive so many dollars when in the colony and that when I went home on leave I should receive my salary at 4s. 2d. which was the rate at which the salary was originally fixed. Now, what is this offer? Well, there are two things; you get so many dollars here and so many in England, and they say, "We think that as your dollars in Hongkong have fallen to nearly 2s., say 2s., from 3s. 2d., that is, have been reduced by more than one-third, we must give you something; therefore we will allow you to make your remittances at 3s." Well, if they had stopped

there I should have said "thank you." But I am told, "When you go home, instead of getting 4s. 2d. to the dollar you will get 3s." Gentlemen, I went home this year for four months on full pay, I am not speaking of half pay leave and I am asked, if I accept this offer, to refund to the Government, out of my own pocket, the difference between 4s. 2d. and 3s. on my salary for those four months. Now, so far from the Attorney-General's office being one the salary of which has been increased by 35 per cent. I say my office is worth three to four hundred pounds a year less than when I came, that I have been working hard all the time, and that the only offer of any relief is accompanied by this condition, that I must have 1s. 2d. less on every dollar paid me at home, including those paid me this year. The work of my office is such that it is not coveted by every one, and when I go home on leave I have privately to pay some gentleman to make it worth his while to come and do my work while I am away, and this time when I had my four months' leave—I had no leave last year, therefore I had four months to fill up—I had to pay some one to do my work, and two years ago I had to do the same thing, I then paid \$1,000 to a gentleman to do my work and he had his private practice as well of course. I might perhaps have got a less able man for less, but I thought it my duty to provide a thoroughly capable substitute so that the Colony should not suffer by my absence. That is the spirit that should actuate all public servants. This offer is not such a grand offer, it is an offer that has been refused by a great many, who feel rather hurt that such an offer, after many years' service, should have been made to them, when the officers in the Straits Settlements are getting 3s. while on duty and 4s. when they are away on leave, which renders it possible for a man with a family to go to England and recuperate his health. I do not hesitate to say that for a family man to go at a 3s. dollar means that he is not to enjoy his holiday and that he is to come back considerably poorer than when he left.

The CHAIRMAN—Before putting the vote to the Committee I should like to point out that the \$80,000 only applies to the officers on active service. The question of leave pay at home is not touched upon in this matter at all, so that perhaps the hon. members who have spoken on the subject of leave pay at home have not been strictly in order. At the same time I am sure hon. members would have deprecated any attempt on my part to limit the discussion to the \$80,000, and I am sure I was only carrying out the wishes of hon. members when I gave full rein to those who have addressed us. So far as

I am personally concerned I can only say a memorial has gone home to the Secretary of State asking for the same terms as have been granted at Singapore, and in view of the manner in which the Colonial Office usually treats its servants, I feel sure we shall receive that justice which has always been granted to us.

The question that the vote be passed was then put and carried *nem. con.*

THE FLOATING FIRE ENGINE.

The CHAIRMAN—The next minute is one in which the Governor recommends a vote of \$1,000 to meet part of the expense of a new boiler for the floating fire engine. The necessity for this vote arises from the fact that the total cost is \$1,550 and the ordinary vote for repairs to

engines, etc, is not sufficient to cover it. It is therefore necessary to ask you for a vote of \$1,000.

The COLONIAL TREASURER seconded.

Carried.

REPAIRS TO GAP ROCK LIGHTHOUSE.

The CHAIRMAN—In the next minute the Governor recommends the Council to vote a sum of \$6,500 to cover certain expenses in connection with the Gap Rock Lighthouse. In November, 1893, the Gap Rock Lighthouse suffered considerable damage and this sum is required to meet the balance of the expense.

The COLONIAL TREASURER seconded.

Carried.

The Committee then adjourned.
