

7<sup>TH</sup> DECEMBER, 1905.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, MAJOR SIR MATTHEW NATHAN, K.C.M.G.

HIS EXCELLENCY MAJOR-GENERAL VILLIERS HATTON, C.B. (Commanding the Troops).

Hon. Mr. T. SERCOMBE SMITH (Colonial Secretary).

Hon. SIR H. S. BERKELEY, K.C. (Attorney-General).

Hon. Mr. L. A. M. JOHNSTON (Colonial Treasurer).

Hon. Mr. A. W. BREWIN (Registrar-General).

Hon. Captain L. A. W. BARNES-LAWRENCE, R.N. (Harbour Master).

Hon. Mr. W. CHATHAM (Director of Public Works).

Hon. Mr. R. SHEWAN.

Hon. SIR C. P. CHATER, C.M.G.

Hon. Dr. HO KAI, M.B., C.M., C.M.G.

Hon. Mr. GERSHOM STEWART.

Hon. Mr. WEI YUK.

Hon. Mr. C. W. DICKSON.

Mr. A. G. M. FLETCHER (Clerk of Councils)

MINUTES.

The minutes of last meeting were read and confirmed.

WORKMEN'S TRAMS.

HIS EXCELLENCY—With reference to the minutes of the last meeting perhaps, Dr. Ho Kai, you have a report to make with regard to the resolution of the Council on the subject of the trams.

The Hon. Dr. HO KAI—I am not yet prepared to report, sir. We have made

inquiries and received a very large number of communications from workmen themselves and from others. There is a great deal of information in them and the matter will require some time for investigation. I should like to have the resolution adjourned until another meeting.

The Hon. WEI YUK concurred.

HIS EXCELLENCY—The matter stands adjourned for consideration at another meeting.

PAPERS.

The COLONIAL SECRETARY laid on the table the report by the examiners of Queen's College.

FINANCIAL.

The COLONIAL SECRETARY laid on the table Financial Minutes, Nos. 58 to 61, and moved that they be referred to the Finance Committee

The COLONIAL TREASURER seconded.

HIS EXCELLENCY—Of the four Financial minutes which it is proposed to refer to the Finance Committee, two, Nos. 60 and No. 61, require an explanation from myself. No. 60 includes a sum of \$11,600 in aid of the vote for annually recurrent expenditure on Public Works. The only considerable item of that sum is one of \$6,500 for the maintenance of the Praya walls and piers. The reason why this extra expenditure is being incurred this year is that it is thought advantageous to renew the pier at Observation Place, while the Praya reclamation plant, which will eventually be disposed of, is still available. The Financial minute also includes a sum of \$107,050 in aid of the vote for Extraordinary Public Works. The first of the seven items which this amount is to cover is one

of \$7,600 for the Bacteriological Institute, This is due to less money having been expended on the building in 1904 than was anticipated and accordingly a greater sum being required for its completion in 1905 than was provided in the estimates. The additional \$15,000 put down against miscellaneous drainage works is required on account of such works being necessary in connection with the reclamation scheme at Tai Kok Tsai, Mongkok Tsui and Kowloon Point. The \$9,800 additional for miscellaneous works is due to a number of items, the principal one being some works of improvement at the Central Police Station which it was advisable to carry out at the same time as the additional storey was added to that building. For forming and kerbing streets an additional sum of \$25,000 is required. This expenditure is being incurred in resuming a piece of land which comes in the way of the 100 foot road which is to go from Kowloon Point to Hok Un. The resumption is being now carried out because an exceptionally favourable opportunity offered. The \$5,000 additional for miscellaneous water works is being expended in increasing the supply available for water boats at Laichikok. The requirements of water boats have very much increased since the Government Supply was first established there, and the work of supplying them is a remunerative one. There is an item of \$40,000 in connection with the Tytam Tuk scheme on which better progress has been made than was anticipated. The remaining item, \$4,640 for typhoon damages, speaks for itself. Turning from the details to the general effect of the vote which I am asking you to pass on the Public Works Department estimates for this year, and dealing first with recurrent public works, you will remember that for these works the original estimate was \$380,500. Supplementary votes including the present one have amounted to \$21,250. Against this there have been savings amounting to \$17,150 so that the total excess for the whole vote for the year will be \$4,100, or about 1 per cent. Turning to the public works extraordinary the original estimate was \$1,815,300. The supplementary votes including the one now submitted amounted to \$354,470. Against this there have been savings of \$279,540, leaving an excess over the original estimate of \$74,930. That is practically the \$75,000 which we spent this year on the railway. This statement is not quite so satisfactory from the financial point of view as the one I made on September 7th, exactly three months ago. Then I did not anticipate we should spend the whole amount of the vote for public works extraordinary. From the point of view of work done, it is on the other hand more satisfactory as we have made more progress than anticipated on the water supply works and on the preliminary arrangements for the railway. The financial aspect has also its brighter side because we are now in hopes of obtaining from land sales during the year a sum more nearly approximating the original estimate of \$500,000 than the revised estimate I put before you on September 7th of \$400,000. The other vote requiring explanation is No. 61, \$16,891 in aid of the expenses of the Military and Volunteers. The bulk of this is a re-vote due to

the rifles and equipment which were ordered last year not having been charged to the Colony until the commencement of the present year. There is also a small amount, under \$2,000, which has been required for the equipment of the Volunteer troop.

The motion was agreed to.

GENERAL LOAN AND INSCRIBED STOCK  
ORDINANCE.

The ATTORNEY-GENERAL moved that a Bill entitled an Ordinance to amend the General Loan and Inscribed Stock Ordinance, 1893, be read a first time.

The COLONIAL SECRETARY seconded.

His EXCELLENCY—The explanation of the Bill which has been put before you is contained in the following despatch from the Secretary of State for the Colonies which I received by last mail. It is dated 3rd November, 1905:

"SIR,—I have the honour to acknowledge the receipt of your telegram of the 13th October reporting that an Ordinance had been passed by the Legislative Council for raising a sum not exceeding £2,000,000, under the provisions of the Loan Ordinance of 1893, to defray the cost of the railway from Kowloon to Canton and for other railway purposes.

I entirely agree that this is the proper procedure in all ordinary cases, and I should require very strong arguments to induce me to sanction the raising of a Colonial Loan otherwise than by the issue of inscribed stock. But it has been pointed out to me that the circumstances of the present loan, so far as they relate to the advance made to the Viceroy at Wuchang, are altogether exceptional. The loan is to be repaid in ten years at the outside, and possibly after five; and it may prove advantageous to issue this loan in the form of debentures repayable by ten annual drawings proportionate to the instalments due from the Viceroy. It has, therefore, been suggested that the most convenient course will be to amend the Ordinance of 1893 by providing in general terms that notwithstanding the provisions of Section 3 it shall be lawful for the Governor to raise money by debentures or partly by debentures and partly by inscribed stock on conditions as to the repayment of the debentures, as the Crown Agents with the approval of the Governor may prescribe. A saving clause should be added providing that nothing shall affect the rights acquired, or liabilities incurred, under the provisions of the principal  
O r d i n a n c e , a n d i t

should be made clear that the Amending Ordinance will apply to the loan just authorised."

His EXCELLENCY—The Secretary of State further asks that I should report by telegraph as soon as the Ordinance has been passed.

The motion was agreed to.

The ATTORNEY-GENERAL then moved the suspension of the Standing Orders so that the Bill be read a second time.

The COLONIAL SECRETARY seconded and the motion was agreed to.

The ATTORNEY-GENERAL—I move that the Bill be now read a second time. The object of the Bill is to give effect to the recommendations of the Secretary of State which His Excellency has just read to us. The Bill amends the Loan Ordinance in this respect only that it authorises the Governor to raise any loan that may be required either by inscribed stock or by debentures, or partly in the one way and partly in the other. The last clause of the Bill makes it clear that the loan authorised by this Council a month or two ago may be raised either by debenture or by inscribed stock.

The COLONIAL SECRETARY seconded and the motion was agreed to.

The ATTORNEY-GENERAL then moved that the Bill be considered in committee.

The COLONIAL SECRETARY seconded and the motion was agreed to.

The Bill was then considered in committee.

The Hon. Mr. R. SHEWAN—Of course, we understand that before any loan is actually floated the whole question will be discussed by the Council.

His EXCELLENCY—You have given general power.

The Hon. Mr. SHEWAN—You do not intend to proceed further with the loan without consulting the whole Council. Will the Council not have the opportunity of discussing the terms of the loan and the interest to be paid?

His EXCELLENCY—I don't think so.

The Hon. Mr. SHEWAN—Will it be left entirely to the Governor and the Crown Agents?

His EXCELLENCY—It will be for the Government of this Colony to deal with this matter. It is not one that it will be convenient to discuss at the Legislative Council.

The Hon. Mr. SHEWAN—Will we have no opportunity of discussing the terms of the loan? To say whether the interest is in our opinion right and proper?

The ATTORNEY-GENERAL.—The Governor will take advice but not from the Legislative Council.

The Hon. Mr. SHEWAN—There will be no further reference to the Legislative Council, no chance of discussing it, if we pass the Bill?

His EXCELLENCY—No.

The ATTORNEY-GENERAL—There is none before you pass the Bill. The only difference the Bill makes is as to the means by which the loan will be raised.

The Hon. Mr. SHEWAN—Will there be no opportunity of discussing the terms of the loan?

The ATTORNEY-GENERAL—Not any more than you previously had. I move that the Council resume.

The COLONIAL SECRETARY seconded and the motion was agreed to.

On the Council resuming,

His EXCELLENCY—Reported the Bill had passed through committee without amendment.

The ATTORNEY-GENERAL moved that the Bill be read a third time.

The COLONIAL SECRETARY seconded.

The Hon. Mr. SHEWAN—I would ask that this Council be adjourned to consider this on another occasion.

The ATTORNEY-GENERAL—Why?

The Hon. Mr. SHEWAN—To give us time to consider our position in the matter. We ought to have an opportunity of discussing the loan.

The ATTORNEY-GENERAL—The Bill only allows the loan to be raised by debentures as well as inscribed stock.

A question having been asked as to the interest,

The Hon. Mr. GERSHOM STEWART said—We never paid more than  $3\frac{1}{2}$  per cent.

His EXCELLENCY—So far as I recollect we paid  $4\frac{1}{2}$  per cent on the original loan which was converted to  $3\frac{1}{2}$  per cent by the Crown Agents in 1894.

The Hon. Mr. SHEWAN.—If the terms of the loan are fixed I presume you will not consult the Legislative Council—you will consult the Executive Council.

His EXCELLENCY—The Government will be responsible.

The Hon. Mr. SHEWAN—I think we should have more time to consider the Bill. This is rushing it through—passing three stages in one day.

His EXCELLENCY—The hon. member quite understands that it is only in the manner of raising the loan that this Bill

The Hon. Mr. SHEWAN—I quite understand that. But I maintain that we should have an opportunity of discussing the terms of the loan, and more time to consider these. Is there any reason why the Bill should be rushed through to-day?

His EXCELLENCY—The Secretary of State wishes it to be passed as soon as possible.

The ATTORNEY GENERAL—The fact that we are asked to telegraph when the Bill is passed shows the urgency.

The Hon. Mr. SHEWAN—We have had no time to consider it at all.

The ATTORNEY-GENERAL—It must be obvious that it should be passed as soon as possible. What objection can there be to passing it to-day?

The Hon. Mr. R. SHEWAN—Give us a little time to think over it.

The Hon. Mr. GERSHOM STEWART—They might issue the bonds at 5 per cent. according to this Bill.

The COLONIAL TREASURER—They will be put up for tender.

The Hon. Mr. SHEWAN—Will they be put up to public tender?

The COLONIAL TREASURER—Of course they will. They always are.

The ATTORNEY-GENERAL—If the honourable gentleman really has the idea that at the next meeting of the Council he could show any good reason for not passing the Bill, and he insists upon his objection, the Council must postpone its consideration until a later stage, but before taking that course perhaps the hon. gentleman will reconsider his objection.

The Hon. Mr. R. SHEWAN—I do not wish to obstruct the course of the Bill at all, but perhaps you may be able to give us and the community generally some idea of the terms on which the loan will be raised, because I and a great many people have an interest in this matter. They would say we had not done our duty if we rushed the Bill through three stages in one day without considering what we are doing. I think we should have an opportunity of giving the Bill some consideration. The Bill itself is innocent enough; but if it be passed, is the Governor to go right ahead without letting us know the terms of the loan? I hope the Governor will be able to tell us the terms of the loan.

His EXCELLENCY—If the meeting were adjourned till Monday I should not then be in a position to give any information as to the terms of the loan.

The ATTORNEY-GENERAL—The loan will be obtained on the best terms procurable in the market at the time the loan is issued.

The Hon. Mr. SHEWAN—Is it to be placed in London or left entirely in the hands of the Crown Agents?

His EXCELLENCY—Not entirely to the Crown Agents.

The Hon. Mr. SHEWAN—There is a rooted distrust of the Crown Agents; a great distrust.

The ATTORNEY-GENERAL—The Crown Agents are the recognised agents of the Colony, and the loan will be raised through them. It is just the same as with the Agent General for Australia in London. If you go to Australia or New Zealand you do not find the Government employing outside agents to raise their loans.

The Hon. Mr. SHEWAN—That is just the point. The Australian and New Zealand agents are under the direct control of the Australian and New Zealand Governments. The Crown Agents are not under our control.

The ATTORNEY-GENERAL—They are under the control of the Secretary of State for the Colonies.

The Hon. Mr. SHEWAN—Yes, under the Secretary of State but not under our control.

His EXCELLENCY—This is not the time to discuss the position of the Crown Agents.

The ATTORNEY-GENERAL—If you look at the second clause you will find that the money is to be raised by the Crown Agents on terms subject to the approval of the Governor.

The Hon. Mr. R. SHEWAN—Without any further reference of this Bill to the Council?

The ATTORNEY-GENERAL—To the Executive Council and the Governor. This is a Council for passing laws, not an administrative Council.

The Hon. Mr. R. SHEWAN—The public do not know anything about the deliberations of the Executive Council.

His EXCELLENCY—Do you press your objections, sir?

The Hon. Mr. R. SHEWAN—I think I do, sir, because the public should understand the position of affairs.

The ATTORNEY-GENERAL—I move the standing orders be suspended and the Bill read a third time, if no one objects.

The Hon. Sir PAUL CHATER seconded.

The Hon. Mr. GERSHOM STEWART—What is the rate of interest? That is the point. I was asked by leading bankers about the rate of interest.

The Hon. Mr. SHEWAN—If there is an urgent reason that the Bill should be passed to-day, please say so.

His EXCELLENCY — A reason is that if we postpone the matter to a future occasion I shall not be able to give any further information then.

The Hon. Mr. R. SHEWAN—I want to give the public time to think over it. If you assure me it is necessary that the Bill should pass to-day—

His EXCELLENCY—It is desirable.

The Hon. Mr. R. SHEWAN—It has been too much the habit of this Council to rush through Bills. Our constituents blame us for not doing our duty in this respect.

His EXCELLENCY—It is desirable but not essential that the Bill should be passed to-day. If we adjourn it till Monday I shall not be able to give you any more information than now.

The COLONIAL SECRETARY—We shall never be able to give it.

The ATTORNEY-GENERAL — You cannot give the information until the Bill is passed.

The Hon. Mr. R. SHEWAN—It will do nobody any harm if we delay it till Monday.

His EXCELLENCY—I shall not know then the conditions under which the loan is to be raised.

The ATTORNEY-GENERAL—The loan will be raised on the best terms obtainable in the market at the time of issue.

The Hon Mr. R. SHEWAN—How do you know. The best terms were not obtained last time in the opinion of most people.

The ATTORNEY-GENERAL—The Bill does not give the Governor any further power than the Bill of 1893.

The Hon. Mr. R. SHEWAN—As a matter of principle I object to the Bill being rushed through in one day.

His EXCELLENCY—I have explained in my remarks that it is desirable that the Bill should be passed to-day. If the hon. member thinks it advisable to postpone consideration until Monday I am prepared to do it.

The Hon. Mr. R. SHEWAN—Very well, sir. I withdraw my objection.

The ATTORNEY-GENERAL moved that the Bill be read a third time.

The COLONIAL SECRETARY seconded, and the motion was agreed to.

His EXCELLENCY—Moved that this bill do pass. Bill passed.

His EXCELLENCY—The Council stands adjourned till after the meeting of the Finance Committee.

FINANCE COMMITTEE.

A meeting of the Finance Committee was then held—the Colonial Secretary presiding.

The following votes were passed:—

The Governor recommended the Council to vote a sum of three hundred and forty eight dollars (\$348) in aid of the vote Miscellaneous Services, Printing Miscellaneous Papers, for 100 copies of Street Index, 2nd Edition.

The Governor recommended the Council to vote a sum of four hundred dollars (\$400) in aid of the vote Public Works Department, Other Charges, Language Allowance to Mr. S. R. Moore, Land Bailiff, who has passed the examination in the Hakka Colloquial.

The Governor recommended the Council to vote a sum of One hundred and eighteen thousand six hundred and fifty Dollars (\$118,650) in aid of the votes Public Works Annually Recurrent Expenditure and Public Works Extraordinary for the following items:—

PUBLIC WORKS ANNUALLY RECURRENT EXPENDITURE.

Maintenance of Buildings .....	\$ 2,000
" Gas Lighting, Kowloon .....	100
" Roads and Bridges in the City .....	1,000
" Roads and Bridges in New Territory .....	1,500
" Praya Wall and Piers .....	6,500
" Public Cemetery .....	500
	<u>\$ 11,600</u>

PUBLIC WORKS EXTRAORDINARY.

Bacteriological Institute .....	\$ 7,600
Miscellaneous Drainage Works .....	15,000
Miscellaneous Works, .....	9,800
Forming and Kerbing Streets .....	25,000
Miscellaneous Water Works .....	5,000
Water Supply—Tytam Tuk Scheme .....	40,000
Typhoon Damages .....	4,650
	<u>107,050</u>
Total, .....	\$118,650

The Governor recommended the Council to vote a sum of Sixteen thousand eight hundred and ninety-one dollars and forty-seven cents (\$16,891.47) in aid of the vote Military expenditure, expenses of Volunteers—Other charges, Rifles and Equipment.

When the Council resumed,

The COLONIAL SECRETARY said—I have to report that Financial Minutes Nos. 58 to 61 have been considered by the Finance Committee and the recommendations have been approved. Accordingly I move that the report I have presented be adopted.

The COLONIAL TREASURER seconded, and the motion was agreed to.

VISIT OF PRINCE ARTHUR.

His EXCELLENCY said—The Council will be glad to learn that I have received news from the Secretary of State that His Royal Highness Prince Arthur of Connaught, on his way to Japan with the commission of the Order of the Garter to the Emperor of Japan, will make a stay in Hongkong. According to present arrangements His Royal Highness will arrive here on the 9th of February and remain here until the 14th. During that time His Royal Highness will pay a visit to Canton (applause).

His EXCELLENCY—The Council is adjourned *sine die*.