

3RD OCTOBER, 1907.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, SIR FREDERICK
JOHN DEALTRY LUGARD, K.C.M.G., C.B., D.S.O.

Hon. Mr. F. H. MAY (Colonial Secretary).

Hon. Mr. W. REES DAVIES (Attorney-General).

Hon. Mr. W. CHATHAM, C.M.G. (Director of Public
Works).

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

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

Hon. Mr. WEI YUK.

Hon. Mr. E. A. HEWETT.

Hon. Mr. H. KESWICK.

Hon. Mr. E. OSBORNE.

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

MINUTES.

The minutes of the previous meeting were read, and confirmed.

PAPERS.

The COLONIAL SECRETARY—I have the honour to lay on the table by command of His Excellency the amended financial statement in connection with the estimates for 1908. In this statement, sir, it will be seen that the railway loan account is set forth separately from the stock account, and this separation will, I trust, render the statement more clear. I have also to lay on the table by command of His Excellency the Report of the Committee appointed to consider and make suggestions for dealing with the cubicle question.

FINANCIAL.

The COLONIAL SECRETARY—I have to lay on the table Financial Minutes Nos. 46 and 47 and to move that they be referred to the Finance Committee.

The ATTORNEY -GENERAL seconded, and the motion was agreed to.

The COLONIAL SECRETARY—I have the honour to lay on the table the Report of the Finance Committee Nos. 36 to 45 and to move its adoption.

The ATTORNEY -GENERAL seconded and the motion was agreed to.

COMPANIES' ORDINANCE.

The ATTORNEY GENERAL moved the first reading of a Bill entitled "An Ordinance to amend the law relating to companies."

The COLONIAL SECRETARY seconded, and the motion

was agreed to.

THE ESTIMATES.

The COLONIAL SECRETARY moved the second reading of the Bill entitled "An Ordinance to apply a sum not exceeding \$4,992,953 to the public service for the year 1908."

The ATTORNEY -GENERAL seconded.

The Hon. Mr. HEWETT—Your Excellency, the estimates have now been before the unofficial members of the Legislative Council, and having had the advantage of hearing the remarks that Your Excellency made a fortnight ago, the unofficial members have since discussed these estimates and I have been requested to reply for them, though some of the others will have remarks of their own to make. In the first place I think we may sincerely congratulate Your Excellency on the very satisfactory financial condition of the Colony as set forth in the estimates now before us. Of course, as we are aware and as Your Excellency has pointed out, a very considerable proportion of our revenue is of a precarious nature, more particularly that portion derived from land sales and from the opium monopoly. At the present moment it is unquestionable that trade and business in general are very much depressed. If we required any proof of that statement it is found in the fact that all first class stocks are much depressed and the assessment of property in the city of Victoria is some four per cent. below what it was last year. It is very evident that that increasing expenditure and still further reductions in the revenue to which Your Excellency has referred this year and to which your predecessor referred last year may continue and that the whole of the finances of this Colony will have to be reconsidered. There is therefore one point to which I particularly wish to direct attention. I refer to the question of the military contribution. This was a very old and burning question as long ago as the sixties, when one of my predecessors in this Colony first resisted the imposition of the military contribution by the Home Government upon this Colony. And later the same gentleman has spoken against it in the House of Commons. Since then it has been repeatedly discussed and unofficial members have repeatedly complained of the excessive amount which we are called upon to pay by means of this military contribution. We are aware that the presence of a garrison adds to our prosperity, but the garrison is not maintained for our purposes but for imperial needs and not entirely for the benefit of the Colony. We do not consider that because we happen to be a crown colony we should be called upon to contribute one-fifth of

our total revenue for military contribution, especially when we see self-governing colonies infinitely wealthier than ourselves only paying a very trifling amount or nothing at all towards a military charge. With all due respect to the powers who have levied this exaction upon the Colony I cannot but compare it to the nature of the stand and deliver demand from the highwayman who suddenly appears before us puts a pistol at our heads and says "pay twenty cents in the dollar," while we have to seek what consolation we may find in the thought that we have still 80 cents left for our own needs. The question of the military contribution is one which deserves consideration at an early date, I for one think and have always maintained that it is correct that the Colony should contribute something towards the imperial troops but for a small colony the sum of \$1,200,000, as is the amount of our contribution this year, is excessive. There is one charge which falls under the head of military contribution, with which I am entirely in accord. That is the vote of \$46,000 towards the Volunteers. I will not repeat what I have already said on this subject. It is very pleasing to learn that recruiting is going on satisfactorily but it is discouraging to find that when the Government proposes to found an infantry company so few of the younger members of this community come forward. I feel very strongly on the subject of the Volunteers from my past experience. I can only trust that the younger members of the Colony will come forward, knowing that the Government is straining every nerve to improve the status of Volunteers, and enlist as they should do. With regard to the Kowloon railway, to which there has been very considerable reference, we are all agreed that it is sound business policy to press forward the construction of that railway as promptly as possible and if Your Excellency during the following year should find it necessary to call for an extra vote to meet the needs of the railway I am quite sure the unofficial members will be only too glad to give it their support. It was hoped that when the railway was commenced that the work would be completed within three years but at the present rate of progress I do not see how it would be completed before five years. I understand that it is not a want of funds which is responsible for the delay but the want of trained foremen to supervise the detailed work. I understand that Your Excellency since the last meeting has visited the whole route of the railway and as it is a matter very near to your heart we feel confident that every effort will be made to press on with the work under your guidance. As we are aware it is of vital importance that the railway should be constructed and opened at the earliest possible date. It is estimated that within three years the section from our frontier to Canton will be completed and it is imperative that our portion should be ready at the same time. Those of us who have had experience in North China, Japan, and Indo China are aware of the great development which follows the opening of railways and the enormous

advantages to trade which accrue from any system of railways in the Far East. We are confident that the early opening of this railway must benefit not only the Colony but the Hinterland as well. With regard to the floating fire engine, the vote for which appeared in the estimates last year, and has been re-introduced this year. I pointed out last year that, in my opinion, a floating fire engine was a luxury. It would be a good thing as a second fire engine is required so rarely, that the money should be expended in other directions. It has been suggested that further improvements are required in the fire department—that more powerful engines are required. I do not know whether it is the case or not but I believe that Your Excellency has given this matter your personal attention. If it is imperative that more powerful land engines be provided then they should be purchased. If not I would suggest that the money can be better spent in other directions. With regard to what your Excellency stated with regard to loans and taxation generally the unofficial members are entirely of one mind that it is inadvisable to pay for public works out of loans unless absolutely necessary. That necessity has not arisen at the moment. We also agreed that it is most inopportune to increase taxation. If it be necessary to raise fresh funds during the course of the next year the unofficial members are unanimously agreed that it would be advisable to do so by means of a small loan instead of by increased taxation. With regard to the question of revenue, as Your Excellency showed in your speech of a fortnight ago, our sources are very precarious, and we have reason to believe they will be still more precarious in the immediate future. I think it would be opportune representing the interests I do in this chamber, to remind Your Excellency of the views of the Chamber of Commerce. A letter was addressed to the Government quite recently concerning the state of the opium trade. The attempt made by the Chinese Government to put down the cultivation and consumption of opium in their own country would, I feel sure, be warmly supported by the Treaty Powers of China—certainly by the British Government—if the movement were a genuine one, but we must not allow the Chinese Imperial Government to take advantage of this movement which has arisen partly in China and partly at home to benefit their own trade at the expense of foreign trade. We know that the trade for many years has been very important not only for this colony but

for the great empire of India, and we also know that the Chinese provincial officials have done everything in their power for many years past to discourage the opium trade, not because they were opposed to opium but because they saw in the foreign opium trade a very active agent working against their own personal interests. It is to the interest of the Chinese opium cultivator that the foreign opium should not compete against them. Foreign opium is carried throughout the whole empire free of likin and other duties on the passes issued by the Imperial Maritime Customs. That represents so much loss to the provincial officials and they do not like it. We know that many of them are taking advantage of what ought to be an honest attempt, to benefit their own interests. We have reason to believe that many are not sincere in their wish to put down production and consumption of opium but are working for their own pockets. With regard to subsidiary coinage, we hope that the experiment made by the Government in spending \$30,000 to \$40,000 a year in purchasing Hongkong subsidiary coinage will have the desired effect of rehabilitating our coinage at an early date. We are not yet in a position to say whether it will be a success or not. If it fails the Government will have to reconsider the question. In the meantime we are anxiously awaiting the report of the committee appointed by Your Excellency to consider this most important matter. The Chamber of Commerce addressed the Government last May on the subject. We pointed out that whatever steps may be taken by the Hongkong Government can only be of a local and temporary nature. We cannot possibly dissociate our coinage from that of the enormous empire to which we are in close proximity. The only real cure is to insist upon carrying out the provisions of the Mackay Treaty so that all mints shall be placed under imperial control and that there shall be a universal coinage for China. Coming to the very important question of public works, on which a large proportion of our revenue is spent, I regret to say that after careful and deliberate consideration, I cannot consider that the present state of affairs is at all satisfactory. Year by year we see important works appear in the estimates and then withdrawn; nothing done, or very little done and the estimate carried on till next year—and so it goes on I think myself and after all due deliberation, that a great part of this delay might easily be avoided. There is unquestionably delay in the construction of Government works, notably the Law Courts and the Post Office. They are very prominent works at the present moment. Apart from the necessity of preparing plans, sending them home for approval and receiving them again, there has been unnecessary delay. I find that the estimates for the Law Courts appeared in 1900 and we were told by your Excellency that two years longer would be required to complete the Law Courts. At the present time, supposing the estimate is not exceeded,

the Law Courts cost seven lakhs Including \$00,000 put down for next year, the sum of \$550,000 will have been spent. There still remains \$200,000 to complete the building. I think it is quite reasonable to suppose that the Law Courts will take at least another two or three years before they are completed. And the same with the Post Office. It first appears in the estimates in 1903. Here again we have \$500,000 included in the estimate for next year, that is to say that in 1908 hardly more than half the appropriation for the Post Office shall have been expended. We are asked to believe that it will be completed in two years but it is more likely to be three or four years before it is inhabited. I submit that it is an absolutely unnecessary waste of public funds, that such large sums have been put into public buildings from which we get no return. We understand that these sums have to be spent and these buildings should be occupied as quickly as possible. Thus the Law Courts will have taken nine or ten years to complete and the Post Office seven or eight perhaps more, and in the meantime the Government are paying rent for the large building where part of the Government offices are located. A large profit has been lost to the Government during all these years through delay of the sale or rental of the land at present occupied by the Law Court and Post Office. This is very bad financing. There is another point that adds very much to the delay, the fact that the works are each in the hands of one contractor, and that contractor is allowed practically unlimited time in which to carry out the work. In addition to the time spent in laying the foundations and preparing the plans, etc.—presumably the foundations are laid after the plans have been completed—there is a good deal of delay in the preparation of the building material. The delay which is caused by bringing rough stone from the quarry and putting it in the narrow open spaces in front of the buildings to be dressed before being placed in position is incredible. My office is near the Post Office and I can see that the work does not progress as it should, while the cutting of the stone is a serious nuisance to anybody living in the neighbourhood and affects a large section of the business community at the present time. I have always marvelled ever since I came to Hongkong—many years ago—why Government buildings should be erected on this happy go lucky principle. One would have thought that they would have drawn upon the wisdom of the ancients and would have learned possibly to prepare building material in advance so as to get on rapidly with the work as did the ancient builders of whom we read "The stone was made ready before it was brought so that there was

neither hammer nor axe nor any tool of iron heard in the house while it was in building." That seems to be the practical way to deal with the situation. It is incredible that after two to three thousand years our Public Works Department should not have learned the lesson. I can only say that no business firm would undertake to build a new office for itself and wait eight or ten years for the completion of the building. It would be most unbusiness like. They could not afford to build on these lines. It is with very great regret that I learn that the second section of the Tytam scheme has been delayed. It is quite true we have to cut our coat according to our cloth. It is true that at the moment we have plenty of water. The last two seasons we have had late rains which have filled the reservoirs at the beginning of the dry season. In the past we have had a succession of dry seasons and if we are to have another dry spell it does not follow that we shall not have another severe water famine. It seems most desirable that the scheme should be completed as quickly as possible. The same applies to the reclamation of insanitary areas, which is stopped for want of funds for another year. Another small but most important point is in connection with the training of nullahs, for which there is an allowance of \$2000. I trust that everything possible will be done to proceed with this work as soon as possible. With regard to the typhoon shelter, it is most disappointing that Your Excellency in the first place informed us that the present estimate for the work is nearly double what we were led to believe it would be. It was also disappointing to be told that during the next eighteen months it was not expected to spend more than the small sum of \$25,000 when the typhoon shelter is urgently required. We trust that the work will be proceeded with as promptly and rapidly as possible. The Legislative Council is entirely in the dark as to how the sum of \$1,400,000 has been arrived at, when a previous estimate of \$800,000 was put before us. We do not want anything elaborate. We want an efficient breakwater sufficiently high to give protection to all the boats in the harbour and to look ahead for the next 50 years. In the meantime, whether the scheme is completed or not, it is still desirable that a small breakwater on this side of the harbour should be maintained, and that being so Causeway Bay should be dredged. At the present moment it is so shallow that about one-third is lost and a large number of boats are compelled to lie outside. On nine out of ten occasions the protection afforded is sufficient, but leaving out of the question the disastrous typhoon of last year I remember a number of typhoons which have blown heavily from the west and boats which took refuge outside would have been inevitably wrecked by such storms. We consider the dredging of Causeway Bay is a matter of urgency. With regard to the condition of streets, I spoke on that subject last year and I am glad to find that certain suggestions which I made have been acted upon. These however are only details, the question of the general condition of the streets remains

the the same. I maintain we should no longer have macadamised roads in this colony. It cannot be contended that the question of wood paving is still in the experimental stage in view of the fact that different sections have been laid down in Hongkong for a considerable time. In other cities where similar climatic conditions prevail wood paving has proved absolutely satisfactory. Wood paving would be particularly useful on many roads in Hongkong and it might be laid along the tramway track. At present the condition of this track is most unsatisfactory and will remain so under existing conditions. As a case in point I might refer to the section in Icehouse Lane from Queen's Road to Des Voeux Road which is subject to very heavy traffic and is constantly undergoing repair. It would be interesting to know what cost has been incurred in repairing that small section during the past twelve month. I think it would probably have gone a long way towards wood paving. The initial expense of wood paving is heavy but once laid it would last for years. Respecting the Land Office at Taipo, I trust that it will not be long before permanent buildings are erected there. Presumably Taipo will remain the headquarters of the Government in the New Territory and if that be so permanent buildings should be erected. At the present time some of the staff are living in bungalows which is not a proper form of dwelling for Government officials who have to work hard during the day. Besides it is most wasteful, as they are often destroyed by typhoons, to say nothing of occasional fires such as were experienced a few weeks ago. On the subject of Blake Pier shelter I trust it is introduced in the estimates for the last time. It is a small affair and there is no reason why it should not be carried through as speedily as possible. Before I leave the question of public works I can only repeat that I consider the works are unduly prolonged and dragged over an undue period of years. It is a wasteful and thriftless sort of policy to follow. Every year important public works are demanded and still works ten or fifteen years old are in the estimates. I am very glad to hear that Your Excellency has at last solved the question of communication with Gap Rock, and though a cable is not a very satisfactory means of communication it seems to be the only one possible under the circumstances. We trust that the communication will speedily be restored. The new system of storm signals has proved entirely satisfactory. Your Excellency has
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the Post Office at Tientsin which, it appears from the Press, was to be closed. It would be interesting to have an official statement on the matter. In the present estimates there is the sum of \$5,190 for the Tientsin agency. Speaking for the Chamber of Commerce we recognise that it is not reasonable to ask ratepayers to incur any excessive expenditure for such a service. It is part of a system of postal agencies which the British Government have maintained in different parts of China and it has been repeatedly set forth that it is a most important office to maintain not only on account of imperial policy but also for very practical reasons that merchants wish to have some reliable post office under their own flag through which they can send their correspondence. With regard to the Observatory unofficial members do not consider that it is necessary to have a committee appointed provided you are satisfied that the equipment is all that it should be. We are prepared to leave the matter in the hands of Your Excellency. I can only state that we much appreciate the steps you have already taken to improve communication with Indo-China. I think it may be worth your while to consider whether communication cannot be improved between Manila and Hongkong. The number of telegrams is limited but it could be increased if the Government are prepared to give a small sum. In any case we feel satisfied that entirely friendly relations will continue with those Jesuit fathers at Sicawei and Manila to whom we owe such a debt of gratitude. At the last budget I spoke on the question of salaries and I am glad to find that since then the Secretary of State has agreed to the principle that for the present the members of the Civil Service should not be paid less than ten dollars to the £. Coming to the form in which the estimates are presented, there has been, as Your Excellency is aware, a very great improvement during the last two years. There are one or two small points to which I would like to call attention. In the first place there is the question of indexing. I am afraid that the indexing of Government documents is very defective. To a man who wishes to consult estimates in a hurry it is annoying to have an experience such as I had the other day. I was looking up the index in connection with cemeteries. I expected to find the item I was searching for under the heading of "c" but after some trouble I found it under "p." I cannot possibly conceive an index drawn up on these lines. Another point in the estimates is under the heading of public works, under which three overseers were mentioned. Evidence given before the late Commission showed that the whole time of an Executive Engineer was taken up in attending to work for the Building Authority while such little time as was left over was devoted to the question of a garbage destructor or to the resumption of insanitary properties. All duties carried out under the Building Ordinance. There are no doubt others equally engaged. If the 3 overseers are placed under a special heading why not all. They are all P.W.D. officials who

are doing special Sanitary work. Of course the recommendation of the Commission was that they should be transferred to the Sanitary department I would like to point out to your Excellency it would be a very great convenience if it could be arranged that when presenting estimates before the Council a statement should be given showing where estimates of works are likely to be exceeded. We find here for instance "Law Courts \$768,000" but nothing to show whether this sum is likely to be exceeded. In one case Tytam Tuk first scheme exceeded the estimated cost by \$150,000. That is a very large excess. The original estimates may also be exceeded in connection with the Law Courts and Post Office. Another suggestion I wish to make in connection with public works, in order that the finances of the Colony be best administered, is that the original estimates should be adhered to. If there is any reasonable ground for supposing they are not, it would be well that a statement to that effect should be made. I had it in my notes, Sir, to refer to the manner in which expenditure on the railway was entered in the financial statement, or rather, the way in which it had not been entered. The original financial statement, as placed before the Council, showed a loan of one million, one hundred thousand odd pounds, and against that the sinking fund of £220,000 is entered. As your Excellency explained in your speech, the sinking fund did not exist as that money was being devoted to the railway. Your Excellency further referred in your speech to the possibility of a further loan having to be raised, and mentioned the sum of £4,500 for interest which, supposing the new loan is raised on the same terms as the last at 73/- per cent per annum represents the sum of £125,000. I think it would be certainly interesting if Your Excellency would explain whether it is probable that an extra sum of this amount will be asked for. I would suggest that in future proper statements should be made of the amount to be expended during the current year in the case of any very important public works. At the present moment, owing to the way the estimates are put before the Council, no one could possibly suppose the Government were engaged in an important railway construction. In page 88, under the somewhat discouraging heading of non effective and charitable services—I trust that is not prophetic—is mentioned the sum of £3,850 on railway construction. That is the only reference made in the estimates to the fact that the Government is engaged in a big railway scheme going to cost five or six millions. I regret having

detained this honourable Council so long, Sir, but it appeared desirable to make the remarks that have occurred to me. There is yet one more subject to which I would refer. In Happy Valley there rest many who have done good work for the Colony—not only for the Colony, but for the Empire at large. And it should be our pride as well as our duty to maintain the monuments erected over them. The gardens are really in excellent order, but many of the graves have been allowed to gradually disappear into flower beds and shrubberies. I think careful examination of the ground will justify the assertion made. Within the past few years a sum has been set aside for the re-lettering of graves, and it is not unreasonable to ask that a larger sum be voted for the entire restoration of the graves of those who lie there. These include graves of all grades from the high official to the blue jacket and private soldiers who lost their lives through wounds or disease in the service of their country, and also large number of civilians who have done good work for the Colony. I think we should keep their memory green by retaining the memorials of those who so generously sowed where we now reap.

Hon. Mr. OSBORNE—Sir, on the evening of 22nd September, 1874, to quote from Dr. Eitel's History of Hongkong, the severest disaster that ever befel Hongkong since 1841, was a typhoon of unprecedented suddenness and power, which resulted in business being at a complete standstill for several days. Over 2000 lives were lost within the space of 6 hours, and 35 foreign vessels, trusting in their anchors, were wrecked or badly injured. The screams of Chinese in distress on the water, were heard by residents on the upper levels of the town, to rise above the terrific din of the storm. The amount of property destroyed in Hongkong within those six terrible hours was estimated at five million dollars. But very little was done to utilize the lessons taught by this typhoon. Change these figures, Sir, into a duration of two hours, exacting a toll of probably 10,000 lives with twenty millions worth of property, and Dr. Eitel's picture of 1874 portrays exactly the disaster that befel this Colony just over a year ago. The purpose of my quotation however lies not in raking amongst painful reminiscences, but to give point to Dr. Eitel's concluding sentence that very little was done by the citizens of that day to profit by the lessons taught them, and I wonder to myself how far the future historian will truthfully pen such words of us. The history of Hongkong, Sir, is burdened with records of these dangerous storms, meaning so much to those whose lives are passed upon the frail craft that ply the waters of our harbour; so much to shipping, the life blood, as we are apt to put it, of a Colony boasting the largest tonnage in the world. And what have we, with the lessons of 1874 and subsequent typhoons before us, what have we done to nourish this life blood, to protect the craft so essential to

its being; to preserve the port against the evil reputation of being a dangerous anchorage? From the records of the Observatory, now 25 years old, it would be interesting to learn how many times during that period we have suffered actual contact with typhoons and how many times they have, so to speak, grazed our door, and the Colony escaped by a hair's-breadth. And what have we done during those 25 years? Absolutely nothing; indeed, worse than nothing, because we have permitted the Causeway Bay shelter, built in 1882 by men who, notwithstanding Dr. Eitel's strictures, were in this respect better men than we, we have permitted this shelter to silt up to such an extent, that at low water a large proportion of it is dry land. A year ago public and official opinion were agreed that a new shelter was a work of urgent necessity and a new shelter was accordingly decreed, but, a year has gone, Sir, and this work of urgent necessity has apparently not passed the initial stage of plans and discussion. From your Excellency's remarks when introducing the estimates I gather that the breakwater is to cost \$1,400,000, of which \$25,000 are provided for next year. The figures, Sir, are ominous; fourteen hundred thousand dollars, at \$25,000 a year means 56 years to complete, and were it not for your Excellency's promise that more than \$25,000 will be spent if needed, I should be inclined to judge from its beginning, that the end of the scheme was a very long way off. It has always appeared to me that, considering the modest sum generally available for public works, we spend too much in the direction of permanence and grandeur. From the engineer's point of view no doubt the most expensive work is in the long run the cheapest, and it certainly reflects greater credit on its author; but from the other point of view, that of the community, chafing at delay in the prosecution of municipal improvements, I think, although I yield to no man in recognising the value of imposing and substantial public buildings, I think in our circumstances we would profit more were we to utilise what little money we possess rather in satisfying the people's needs than in gratifying our own natural but expensive appetite for splendour. The people's most pressing need is this typhoon refuge, and as such the work calls for speedy completion, even at a sacrifice of architectural luxury in other works. We seem to be capable only of extremes. For years we endured ramshackled, insanitary unsuitable markets, fit only for the flames: then having funds we indulge in structures like the Central and Western markets, too costly for our purse, unnecessarily good for their purpose. Kowloon asks in vain for a market, for nothing short of a similar building will suffice, whereas in reality \$10,000 will give all that is needed. Blake Pier has

ever been shelterless except for an occasional matshed erected in honour of Royalty or to welcome a new Governor, and so the Public blisters in the sun, because nothing short of magnificence will suffice, when in reality all that is needed is a small unpretentious covering, costing \$5,000. And thus it is with roads. Your Excellency has referred to an industrial future for Hongkong. Industrial success, Sir, needs cheap land, cheap dwellings for the workers, which in turn necessitate the opening of new areas by roads. But no new roads are forthcoming because our policy is to make spacious drives such as Gascoigne road, 100 feet wide, metalled from kerb to kerb, when the wiser course, it seems to me, would be to plan the 100 foot road, but metal only such portion as is needed for immediate traffic, thus permitting expenditure on other roads through undeveloped districts, as should be done in the direction of Lai Chi Kok and Chin Wan. It may interest your Excellency to know that no road communication exists with the large suburb of Kowloon known as Sam Sui Po. And so with the Harbour Office, Law Courts and Post Office, and so I fear will it be with this typhoon shelter unless your Excellency applies a ruthless pruning. To pay for this work the Government proposes, I understand, to draw on the Colony's reserve, which I think a pity because reserves should, as a matter of principle, be utilised only as a last resource, and we are not yet at our last resource. There is for instance under weigh a huge and expensive waterworks scheme concerning which it seems to me economy might be effected; and here I disagree with the Hon. Member for the Chamber of Commerce for assuming the present storage capacity to be sufficient, as I understand is the case, to give a moderate allowance per head throughout the dry season, then further expenditure on the scheme is uncalled for, until we have money to spare. The correct solution of this water problem is, I submit, to allow the Chinese in their houses an unlimited supply during months of plenty, and to limit them, and indeed non Chinese also, for as much waste goes on in European dwellings as in Chinese to street hydrants, during months of scarcity. The funds thus freed from waterworks would be available for the typhoon refuge, and I submit, Sir, that on every ground of economy and equity, funds so applied in the protection of life and property are more rightly applied than in providing a constant flow of water for ignorance and stupidity to waste. On the question of taxation I again disagree with the Hon. Member and shall probably find myself at variance with most people. Excepting for the Chinese this Colony is the permanent home of very few; almost all are here in the hope, and with the intention of acquiring sufficient wealth to enable them to quit it for their native land at the earliest opportunity; the Chinese only differ from the rest in that their homes are so conveniently near that they are able to make use of the place till the day of their death. Hongkong is their place of business,

the neighbouring mainland their home, and the nearer railway development brings their home, so much the more will they cease to have interest in Hongkong except as a counting house, workshop, or safe deposit. If then such be the case, if the Colony exists purely and simply as a trading centre, then obviously the community's interests lie as indicated by your Excellency in the direction of industrial development, and seeing that development in our case is impossible without taxation, then it seems to me the community, in its own interest, is eminently one to be taxed; and this typhoon shelter, as a phase of development, if not possible under ordinary sources of revenue, should be paid for by additional taxation. During a rather long residence in the Colony, I have had exceptional opportunities of coming into contact with the boating population; and though like most humanity their character is a blend of the good and the bad, there is one quality they possess in a marked degree, which has always commanded my deep admiration, and that is their patient philosophic bearing under circumstances of trial and suffering. In their name, Sir, and apart from the commercial aspect to which I have alluded, in the name of thousands who have already suffered in silence the misery wrought by these destructive storms, I appeal to your Excellency that there shall be no further delay in giving them the shelter which it is our clear and bounden duty to provide.

The DIRECTOR OF PUBLIC WORKS—With regard to the remarks of a somewhat severely critical nature which have fallen from my honourable friend opposite, I would offer some observations. He made a general statement first of all that works were entered in the estimates and carried over without anything being done. This statement, unfortunately, was made in general terms, otherwise it might have been somewhat easier to reply to it. As a matter of fact, in the present year's estimates the works which have not been undertaken so far are the Tytam Tuk scheme, second section, which is entered with an estimate of \$200,000; Branch Post office, Wanchai, \$6000; Blake Pier Shelter, \$20,000; and resuming and filling in the fish pond at Taipo, \$9,000. With these exceptions all the works appearing on the estimates have been begun. It has been decided that the second section of the Tytam Tuk scheme should not be gone on with, and therefore that is sufficient reason for not having incurred any expenditure on it. The Branch Post Office at Wanchai, it has also been decided to postpone. With regard to Blake Pier, an

indent has gone home for the necessary material to erect a covering, but it is not expected that it will be received in time to be erected during the current year. As to the resuming and filling in of the fish pond at Taipo, the necessary resumption has been carried out, but it has been decided to employ the sum intended for filling it in on works of greater importance. In place of these works we have undertaken the building of a slaughter house and animal depot at Kowloon at an estimated cost of \$70,000. This was rendered necessary on account of the railway work. We now have undertaken the erection of officer's quarters at Taipo, estimated to cost over \$20,000. An extension of the medical staff quarters was rendered necessary by the giving up of the private nursing institute which has been in operation for some time, and a considerable amount of time has been devoted to the preparation of particulars with regard to the boat refuge on which my honourable friend at the head of the table has said a good deal. Coming now, Sir, to the works that are in progress, about which my hon. friend opposite stated that great delays had occurred, I would preface my remarks by stating that according to records in my possession the Hotel Mansions were nearly six years in construction, and St. George's and the Royal Building seven years. The foundations of the Law Courts were begun in July 1900, and it is expected that the building will be completed in 1910, or ten years from the date of commencement. The present contract was let in July 1903. Some delay occurred, Sir, in connection with that contract. When tenders were called for, the lowest that could be obtained from a reliable contractor was for \$630,000. I could not see my way, Sir, to advise the Government to let such a contract. After some delay, in which an attempt was made to make arrangements to carry out the work departmentally, a contract was let for \$483,200, a saving of \$146,800. Even if the work has taken a little longer under that contract, I submit the delay is justified by the saving effected. The building, Sir, can scarcely reasonably be compared to those surrounding, because it is of an entirely different character. The facing is of stone with huge granite blocks from the top to the bottom. Every surrounding building with some slight exception, the exception being imposed on the owners by the Building Ordinance as regards the use of granite on the ground floor, is built of brick and plaster, and if the Colony desire such buildings, they can be erected at a much greater speed than granite buildings. The designs for the building were prepared by eminent architects at home under instructions from the Secretary of State, and it cannot be said anybody here was responsible for them. With regard to the Post Office the foundation contract was let in December 1903, and it is expected that the building will reach completion in 1911, or eight years after it was undertaken. Comparing that, Sir, with the surrounding buildings I don't see that there is much to cavil at. In the case of that building I venture to say that it also is of a very superior class to those

immediately surrounding it. The hon. member said there must be a great loss to the Government through the delay in selling the land occupied by the old buildings. I can only say in reply to that, that if that land was available for sale at the present moment my advice to the Government would be not to sell it as the time is not an opportune one in my opinion, and I therefore don't see that the Government is suffering a great loss. As regards the preparation of building material, with the appliances available here it is almost necessary to execute it on the site, otherwise the delay, I fear, would be greater than under the present system. Take the case of the Law Courts: the stones are not interchangeable to any extent, and it occasionally happens that one stone gets damaged. It is then necessary to wait until another stone is quarried, brought across and dressed. No obvious gain would result from a change from the present system to any other. As regards the training of nullahs, that is a work that has been actively carried on for a good many years, and if the hon. member will refer to the estimates he will see that a large expenditure has been incurred on it during past years. Regarding the typhoon refuge, Sir, the hon. member stated that members were not in a position to judge how the estimate was arrived at. It certainly has not been the custom to give hon. members detailed estimates, nor do I think it would be a prudent course to adopt. Regarding the dredging of Causeway Bay, it has been before the Council on previous occasions. The estimate showed that the cost was so very great that it was decided not to do anything with it. The paving of our streets is a mere question of money. It was intended to include in this year's estimates a small sum of money for laying down wood paving in Icehouse Street. That, Sir, was struck out as the money was required for more urgent and important works. As I have already stated the Taipo Land Office, one of the works appearing in this year's estimates, is in progress. With regard to the classification of the staff in the estimates, I would say that the statement with regard to the Building Ordinance overseers is not in any way peculiar. If hon. members will look at the estimates they will see that the subordinate staff is divided under the various heads in which they are employed, and the senior officers all appear under the heading of engineering staff. The graves in Happy Valley are now receiving a certain amount of attention as regards keeping the headstones in order, and that will continue to be done. Some, unfortunately, are in such a condition that it would not be possible to restore them. My hon. friend

at the end of the table referred to the permanence and grandeur of the public works in Hongkong. Well, Sir, I submit in that respect they are not peculiar. In every town, wherever you go, public buildings are always prominent by reason of their character, and I don't think it would appeal to the general public that our buildings should be of the inferior class that he desires to introduce. As regards laying out the main roads at Kowloon, a former colleague of my hon. friend advocated making the roads 120 feet wide, so it is obvious it is impossible to please everybody. He stated that Gascoigne Road was metalled from kerb to kerb. If that was so I was not before aware of it and have heard it now for the first time. I don't think that in the matter of this road any undue extravagance has been perpetrated.

The COLONIAL SECRETARY—Sir, the member nominated by the Chamber of Commerce began his interesting address by a reference to the military contribution, and he likened the ratepayers of this Colony to the victims of a money-hungry highwayman—I presume the Secretary of State for the Colonies, who with pistol presented at the heads of these unfortunate ratepayers, demanded and ordered them to pay 20 cents military contribution out of every dollar. Now, Sir, I venture to think that the picture is very much overdrawn, and having regard to the fact that the particular Secretary of State who had to do with the question of fixing the military contribution, was the Secretary of State under whose aegis I entered this service, the reference to him as a highwayman rather grates upon my nerves. What are the facts, Sir? The contribution of this Colony towards the cost of the garrison was originally £20,000 per annum, plus a proportion of the annual cost of the permanent defences. After some years the contribution was raised to £40,000 a year, plus a proportion of the fixed defences. and soon after that happened the Imperial Government suggested to this Government that, if the community of the Colony, as represented by the unofficial members of the Legislative Council, were prepared to make the bargain, they would alter the permanent contribution of £40,000 a year plus a proportion of the annual cost of the fixed defences, to 171/2 per cent. of the revenue plus such proportion of the fixed defences. The question was very fully gone into, and the advice of the unofficial members was taken thereon. At that time 171/2 per cent. of the revenue plus the estimated proportion of the cost of the fixed defences fell a good deal below £40,000 plus such proportion, and the wisacres at the Council table thought that the best thing they could do was to close with the offer, for apparently, although there was included amongst them a long-headed and very far-sighted man in the person of Sir Paul Chater, they did not anticipate that the revenue of the Colony would increase so much as it has done. Anyway, they made the bargain, and a law to that effect was duly passed

through this Council with every publicity. Subsequently it was again suggested that perhaps the Colony would prefer to pay a fixed percentage of its revenue, 20 per cent. in lieu of 171/2 per cent. and the rather indefinite annual contribution to the fixed defences. That proposal commended itself to the representatives of the community, and a law embodying it was duly passed, and under that law we have been paying, and I think on the whole cheerfully paying, 20 per cent of our revenue. Now, Sir, I contribute to that military contribution myself, and I think that every colonist in this Colony ought to continue to contribute to the military contribution cheerfully. It was only the other day when I was on leave that I was living in the house of a brother of mine in London. For every £100 of rent that he pays I found he paid no less than 47 golden sovereigns in rates and taxes. That is taxation with a vengeance! I did not stop there long, and I went down to a very countrified part of England in the County of Suffolk, and in one of its towns—they are pleased to call it a town, I would call it a village—I rented a house and lived there for the best part of a year. I found in that very countrified place that for every £100 rent you paid, you were paying somewhere in the neighbourhood of £25 per annum in rates and taxes. In my native city, Dublin, you have got to pay about £30 in every £100, and these are the taxpayers who would be mulcted in the difference between our present contribution of 20 per cent. of our revenue and whatever sum the hon. member nominated by the Chamber of Commerce would have that contribution reduced to. For my part, Sir, rather than see the heavily burdened tax payers of Great Britain have further burdens cast upon them I would like to see the colonists of this Colony take some further burden upon their own shoulders (hear, hear). The hon. member, Sir, went on to speak about what to me was a much more congenial subject, and it enabled me as an old fireman to transport myself in imagination at least, from the air of my office, which is next door, laden as it is with the scent of red tape, to the exhilarating atmosphere which always pervades the scene when water, with puny man's intelligence at its back, does mighty battle with the flaming hosts of fire. It is somewhat of a surprise, Sir, to find the hon. member throwing in his vote for a land engine as against a floating engine. I should have expected him, as the representative of a great shipping interest, to have voted the other way.

Hon. Mr. HEWETT—If a land engine is necessary; I don't say it is!

The COLONIAL SECRETARY—Is it possible that he is so tired of some of the vessels which his principals send out to deal with the China

trade, that he would view with a certain equanimity a holocaust of one or more of them in the harbour of Hongkong? Sir, this question of adding to our fire extinguishing appliances was raised in 1905. After careful consideration, and on the advice of the Superintendent of the Fire Brigade, it was decided that if any addition were made it were best made in the form of a fire float. The question is one that interests the public, and I may perhaps be excused running over briefly the arguments in favour of a fire float as against an additional land engine. In the first place with a constant water supply there is no need for any pumping engine on land. With the rider main system laid down it is to be hoped we shall not often suffer any intermittent system, and with the Tytam Tuk second section in view it is perfectly certain that in a few years we shall never suffer from an intermittent water supply. Therefore, Sir, any expenditure in addition to the land fire engines now, would inevitably become useless in a very short time. A floating fire engine is as good as a land engine in this Colony because the more valuable buildings and godowns lie close to the Praya, and the floater can deal with them just as well and even better than a land engine. Ninety per cent. of the fires in this town occur at or below the Queen's Road level, which can be served by a float engine as well as by a land engine. Another argument, Sir, in favour of a new floater is that when you have only one floater it may be laid up when needed. At the present moment the floater is laid up, and if a fire occurred this afternoon on board a ship in the harbour we are in the position of having nothing to cope with it. The old float has only one boiler and one set of engines. During an intermittent supply it is kept on this side of the harbour under banked fires, but you must draw the fires sometimes to clean the tubes and boilers. You cannot keep a vessel under banked fires indefinitely. The new floater would be supplied with two boilers and two sets of engines to have her always ready at a moment's notice, without laying her up at all. Lastly, Sir, since the old floater was bought, the tonnage of vessels in this harbour has increased so enormously that the existing float is not able to cope with a fire on board these ships. When a fire occurs on board a ship it is generally a question of filling her hold with sea water, and it is a question how many thousand gallons per minute you can pump into the vessel. The old engine could cope with 5,000 ton vessels, but she could not cope with many vessels such as we now have in the harbour. It is eminently desirable that a much more powerful engine should be purchased to deal with these big ships. The hon. member referred to the Tytam Tuk scheme and insanitary areas, and regretted the omission of the provision of funds in the Estimates for the current year. The Government also, Sir, regrets the omission, but they had only one alternative, or at least, three alternatives. They could have raised a loan for works; increased taxation for works; or they could let them stand over. I think that the Government adopted a wise

course in postponing these works for one year and seeing what the new year will bring them. The hon. member complained that the estimates for railway construction was not included in the Estimates, but I would remind him that the railway is being built out of loan, and is a transaction entirely below the line. It is true there is one item included in the Estimates—interest on the advances made for this railway from the loan to the Viceroy of Wuchang. It was a question whether the charge of that interest should not more properly fall on the railway fund, and if it had been so decided there would have been no mention at all in the Estimates of any railway expenditure. The Government, Sir, when I had the honour of occupying the chair your Excellency now occupies, laid on the table full information of the estimated expenditure on the railway for the current year, and took a vote for that expenditure, and the Government will, before the end of the year, similarly deal with the expenditure for next year, and give the fullest possible information any member wishes on the whole subject. The hon member who spoke second, Sir, referred to the Tytam Tuk second section as an extravagant scheme, and expressed the opinion that, if we resorted to street fountains for the water supply of both the native and European community, the provision for additional storage for water would not be necessary. Sir, I would remind him that this question was threshed out some few years ago, and it was decided, principally on sanitary grounds, and also for the reason that the taps had been in the houses since completion of the distribution of the water throughout the City of Victoria, that it would be better to leave them there and deal with the subject of economising the water by means of the rider main system. The decision having been arrived at, Sir, and the rider main system introduced, the Government is not prepared to re-open that question. I beg to assure the hon. member that the scheme he refers to is by no means an extravagant one, and I think if he were to pay a visit to the Director of Public Works, that gentleman would very soon convince him of its necessity in the near future. Sir, the hon. member nominated by the Chamber of Commerce, adverted to other questions that I may call high local and higher imperial policy, such as the question of a further loan and the opium question. These, Sir, I will leave in your more experienced hands. I am also sure your Excellency would rather explain the matter of the closing of the Tientsin Post Office than that I should do so.

His EXCELLENCY—I was glad to see that both the members who spoke on the question of loans and taxation agree with me in principle, and I think they brought cogent reasons to bear in support of my argument. It is not a convenient time in which the Colony should embark on any further raising of loans. The only alternatives we have, then, are either increased economy or increased taxation. I think, as I said when I spoke at our last meeting, that in the matter of economy we have done the utmost we can in this year's Estimates in the scheme of works which we have put forward for the current year, and at present we have not reached a point at which it is necessary to cut down our permanent establishments with a too drastic hand. There remains, therefore, only the question of further taxation. That, as I said before, will receive my most careful consideration during the coming year. The hon. member on my left gave us some very striking figures on taxation and rates at home, and I think if any hon. member will take the trouble to work out the local incidence of taxation he will find it bears a strikingly small proportion to what the ratepayer at home has to pay. The hon. member at the end of the table frankly supported some form of increased taxation if any work of great magnitude or great urgency were called for, or if our revenue, I presume he would also say, fell below what is necessary to meet expenditure. I welcome that view from an unofficial member.

I am in very cordial agreement with what the hon. member at the end of the table said with regard to the typhoon shelter. There seems to me to have been a little misunderstanding on the subject. The Government does not say that the scheme under consideration will cost \$1,400,000. On the contrary, it was intended to convey that the estimate will be revised by the Government so as to bring it if possible somewhere nearer the original estimate. The immediate inauguration of the work is intended, and in later years it may possibly be extended into a larger and more effective shelter. The delay which has arisen in this matter is, I think, very regrettable. At this time last year my predecessor pledged the Government to undertake the work without delay. A year has gone by and nothing has been done—I mean to say, done in actually beginning the work. The reason is that unexpected difficulties have been found in making the plans for it and deciding where the shelter should be. I trust that when the reduced estimate is ready it may be possible to proceed without any unnecessary delay whatever (applause). The hon. member further said the Government only proposed to spend \$25,000 on the scheme next year. He deprecated any recourse to the reserve of the Colony, and said it was the last resource to which the Government should be driven. How have these reserves accumulated? They are the savings from year to year on works projected and never fully carried out, or unexpected windfalls accruing from a rise in the

exchange or probate duties, or they have arisen from lapsing salaries, etc., or have been acquired in various ways of that kind. I think that a reserve accumulated from such sources may be looked upon as a fund which may legitimately be drawn upon for any vote of great utility and urgency such as this typhoon shelter. However, hon. members will have sufficient opportunity of discussing the question later if the project should be put before them, and I propose that you should vote from the reserve sufficient to meet any extra expense required to expedite the work. It may also be possible during the course of the year, if we find that any savings are available to pass a vote for the appropriation of a sum from the current revenue to increase the initial sum of \$25,000 which, has been placed upon the Estimates. I also agree fully with the remarks made by the hon. member at the end of the table that with a falling revenue it would be better to devote our funds to the urgent needs of the community rather than on splendour in public works. His criticism was especially directed towards some public offices now under construction, and was hardly a fair one. These works were projected many years ago—six or seven as we have heard—and at a time when the Colony felt in a position to spend much more on its buildings than it can to-day with a falling revenue. In the matter of roads, too, some criticism was made. I have already been in consultation with the Director of Public Works regarding roads in the New Territories and I hope to be able to introduce a scheme for their gradual construction, on the lines largely adopted in Africa. The method there is to construct a complete section partially, and year by year to go on improving until it becomes a metalled road. I think myself that that is a more useful way of immediately gaining the practical utility we desire for traffic. With regard to the Post Office at Tientsin, hon. members will remember that the Government undertook on a very definite pledge to open a post office at Tientsin for one year only, which would end on the 1st October this year. We have found that the cost to this Government has been very considerable. It has been run at a dead loss, and this was not anticipated at the time. For the first few months the working promised to be a success, and in consequence of various causes which I described when last speaking we anticipate a very much greater loss next year on Postal Agencies in China, and more especially those towards the north, as we are likely to see the Siberian route opened. The Tientsin agency shows a deficit of \$7000 or \$8000. In these circumstances I did not feel justified in calling upon the ratepayers of this Colony to pay what, after all, is for the convenience of the mercantile community at Tientsin.

At the same time I said that, if they were prepared to meet the deficit, we shall be very glad to continue to run the Post Office provided this Colony is not involved in any expense for its maintenance. The question is still under discussion, and the Chamber of Commerce made an offer to pay half the deficit, so I hope the matter will presently be arranged. We are willing to continue to accept the onus of running the Post Office, but I can assure ratepayers they will not have to pay for the convenience of the merchants of Tientsin.

I have nothing of much moment to say on the question of opium, but I fully endorse the hon. member's view that we, as part of the British nation, should support any genuine effort on the part of China to limit her production, and to limit her consumption of opium. I am at the same time fully alive to the necessity to this Colony of the opium trade, and shall oppose any concession not based on some measure of reciprocity (applause). We have our own interests to guard in the matter, but when we are convinced that China is genuine in her efforts we should not lag behind. I think myself it is our duty not to go beyond that point. In the matter of subsidiary coinage I am glad to see the unofficial members generally support the action which the Government has already taken. I concur with you that the real solution is to carry out Article 2 of the Mackay Treaty. I trust the committee appointed will arrive at some solution, or at any rate formulate some useful suggestions. I am myself very strongly impressed with the view the hon. member for the Chamber of Commerce expressed that we are part and parcel of the Chinese Empire, and that any action we take with regard to our coinage must be governed by that central fact.

The COLONIAL SECRETARY moved that the Bill be read a second time and referred to the Finance Committee.

The ATTORNEY -GENERAL seconded, and the motion was agreed to.

PUBLIC NOTARIES ORDINANCE.

The ATTORNEY -GENERAL—Sir, I beg to move the second reading of a Bill entitled "An Ordinance to provide for the appointment of Public Notaries within the Colony." The Bill is a very simple one. At the present time, Sir, no solicitor can be admitted as a notary public locally. It is necessary he should send home affidavits, paying fees for admission as a notary in England. This Bill makes provision for the appointments of local notaries public, and is based on the general precedent prevailing in other colonies. In the Colony where I was previously, in the Bahama Islands, they had a similar Bill, and there is one on the same lines in existence in Fiji and I believe in several other colonies. The Bill provides, authorises, and gives the Government power under its hand and seal to admit any

person as a notary public admitted as a solicitor of the Supreme Court of this Colony. It requires that he shall make the necessary declaration in precisely similar form to that required of any notary appointed under the Imperial law at home, when subject to the payment of a certain fee he is enrolled as a notary public of the Supreme Court.

The COLONIAL SECRETARY seconded the motion.

Hon. Mr. HEWETT—Sir, I think it advisable to say a few words on this subject although I am entirely in sympathy with the Bill. When the draft was placed before this Council I found that some professional gentlemen would be affected by this Bill, and took very strong exception to it. I received a number of letters on the subject, particularly from one member of the profession. I went very carefully into the whole question and consulted several solicitors, men of large experience in the Colony, and I found that, although a few were opposed to it, the majority were strongly in favour of it. Several arguments against it were brought forward, and one which to my mind appeared to have some weight was, that according to the rules at home nobody could become a notary public unless he was admitted by the faculties at home. I found that there was absolutely no ground at all for this objection, and it has already been explained by the Hon. Attorney-General that similar Bills have existed in many colonies for many years. I cannot suppose that any objection would be raised to a gentleman acting as a notary public under a local ordinance. I merely make these remarks so that it will not be supposed that the unofficial members allowed the Bill to be passed without consideration when we knew a small proportion of the solicitors in the Colony objected to the passing of the Bill.

The ATTORNEY -GENERAL—Sir, I will move on a future date that the Council go into committee on the Bill.

SEDITIONOUS PUBLICATIONS ORDINANCE.

The ATTORNEY -GENERAL—Sir, I rise to move the second reading of the Bill entitled "An Ordinance to prevent the Publication of Seditious Matter." There has been an amount of seditious matter published in this Colony for some time past, which in the opinion of the Government may have the effect of inciting to crime in China, and the object of this Bill, Sir, is to prevent Hongkong becoming a place where seditious pamphlets may be printed and circulated with a view to distribution in China, Now. Sir, the Bill is a simple one, based upon precedent. It is based upon an Order in Council framed at home in reference to China and Korea. You will observe that the subject has created a good deal of criticism, but as a matter of fact the phraseology of the Bill was not drafted by me. It is possible that the words

in the Bill may be regarded as somewhat too general, and it may be considered as proving hostile to the criticism of the Press here against the action of the Chinese Government. Such is not its intention. The intention of the Government is to prevent this Colony being made a centre for seditious publications. That being so, when the Council permit the Bill to go into committee, I shall move that we eliminate all the words after "china" in the fifth line, which read, "or to excite enmity between His Majesty's subjects and the Government of China, or between that Government and its subjects." We are of opinion that the Bill will have the necessary effect without the insertion of those words. In addition to that, Sir, the two hon. gentlemen who represent in this Council the Chinese community suggested it might be desirable that there should be a short preamble inserted in the Bill to explain its provisions. I had an opportunity to-day to confer with the hon. and learned gentleman opposite, and, I think, we have between us prepared a short preamble which will be of some assistance and satisfaction. At any rate it meets with the approval of my hon. friend opposite, and I believe the hon. gentleman on my left.

The COLONIAL SECRETARY—In seconding the motion I would mention that for some years past the incontinence of the native press in this Colony towards the reigning dynasty in China has been a serious source of embarrassment. Only the other day, Sir, a publication was distributed in this Colony in which were represented some of China's leading statesmen sitting with their heads in their hands, and I hold in my hand, Sir, a paper which only reached me within the last five minutes, being a translation of an article which appeared in a Chinese newspaper a few days ago, in which the following passage occurred—"I am now restlessly trying to follow the heroic aim of Ng San-cheung." That was the man who started the Taiping Rebellion to overthrow the Ching dynasty and place the Ming dynasty on the throne. The Ching dynasty, as gentlemen well know, is the old name of the Manchu dynasty, and Ming is the name of the former Chinese dynasty. That is nothing more or less than inciting persons to deliberate rebellion against the great and friendly empire which lies so close to our border. I think, Sir, I need not add anything more in justification of this Bill.

The Bill was then read a second time, and Council went into committee to consider it clause by clause.

Hon. Mr. OSBORNE—I would like to ask does this apply to newspapers printed in other than the Chinese language?

The ATTORNEY GENERAL—Yes, Sir. It would be impossible to make any distinction. If you are going to place a bann to seditious publications it would be clearly impossible to limit it to that language. The real object of it is to affect publications chiefly Chinese, but at the same time it would be quite impracticable to draw any distinction between languages.

Hon. Mr. OSBORNE—If a newspaper printed in English publishes an article on political life in China it might be considered as calculated to incite tumult, and yet it might be *bona fide* criticism.

HIS EXCELLENCY—I think the words omitted would meet the arguments you put forward. Legitimate criticism would hardly come within this section.

Hon. Mr. OSBORNE—Would it be for a jury to decide whether it was calculated to incite tumult?

The ATTORNEY -GENERAL—It would be a case to be tried by a jury.

Hon. Mr. OSBORNE—It would not be in the discretion of a police magistrate?

The ATTORNEY -GENERAL—Certainly not. The police magistrate has not summary powers.

Hon. Mr. OSBORNE—It is a rather dangerous Bill to pass into law if it is at all likely to be wrongly interpreted.

The COLONIAL SECRETARY—You must admit the necessity for it.

Hon. Mr. OSBORNE—I think it would be sufficient if it referred to publications in the Chinese language.

Hon. Dr. HO KAI—That is class legislation.

Council then resumed, and the ATTORNEY -GENERAL reported that the Bill had passed through committee with two amendments.

LOCAL COMMUNITIES ORDINANCE.

The ATTORNEY -GENERAL—Sir, I beg to move the second reading of the Bill entitled "An Ordinance to amend the Local Communities Ordinance, 1899." The need for the amendment of this law has arisen owing to some malicious damage that has been done to property in the New Territories, chiefly through spite. The principal law, No. 7 of 1899, Section 29, gives the Governor power to levy a contribution on the inhabitants of a district where any extreme crime required the provision of extra police, and the section as it formerly read contained provision for the levying of an additional rate in any district where there was an undue prevalence of crime, necessitating an increase of police. It is therefore proposed to alter the former law somewhat, and insert the words "or any tumult or disorder has taken place." If the section is amended as we propose, it gives discretionary power to the Governor to increase the police in the district, and makes the district liable for the additional rate in the same manner as it would be under the law at present. It is proposed to pass it in the interests of law and order.

The COLONIAL SECRETARY seconded the motion, and the Bill was read a second time.

Council then went into committee on the Bill, and considered it clause by clause, and on resuming the ATTORNEY -GENERAL reported that the Bill had passed through committee with practically no amendments.

The Bill was then read a third time, passed, and became law.

The ATTORNEY -GENERAL—With regard to the other Bills on the agenda, I would ask that they be allowed to stand over for the present.

His EXCELLENCY—Council stands adjourned until the 10th instant.

FINANCE COMMITTEE.

A meeting of the Finance Committee was then held

—the Colonial Secretary presiding. The committee considered the Supply Bill clause by clause, and passed the following votes:—

DESPATCH BOXES.

The GOVERNOR recommended the Council to vote a sum of One thousand six hundred and eighty Dollars (\$1,680) in aid of the vote Police and Prison Departments, Fire Brigades, — Special Expenditure, Despatch Boxes.

TYTAM TUK SCHEME.

The GOVERNOR recommended the Council to vote a sum of forty thousand two hundred and thirty-two dollars (\$40,232) in aid of the vote Public Works Extraordinary, Water Works, Tytam Tuk Scheme, First Section.
