

29TH MAY, 1813.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, SIR F. H. MAY, K.C.M.G.

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS, MAJOR-GENERAL C. A. ANDERSON, C.B.

HON. MR. A. M. THOMSON (Colonial Secretary).

HON. MR. J. A. S. BUCKNILL, K.C. (Attorney-General).

HON. MR. A. G. M. FLETCHER (Colonial Treasurer).

HON. MR. W. CHATHAM, C.M.G. (Director of Public Works).

HON. MR. E. R. HALLIFAX (Registrar-General.)

HON. SIR KAI HO KAI, M.D. C.M.G.

HON. MR. E. A. HEWETT, C.M.G.

HON. MR. WEI YUK, C.M.G.

HON. MR. C. MONTAGUE EDE.

HON. MR. D. LANDALE.

HON. MR. E. SHELLIM.

MR. C. CLEMENT (Clerk of Councils).

New Member

Hon. Mr. D. Landale took the oath and assumed his seat as a member.

Minutes

The minutes of the previous meeting were approved.

Financial

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the Report of the Finance Committee, No. 4, and moved that it be adopted.

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

Financial Minutes

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table Financial Minutes Nos. 23 to 28, and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded.

HIS EXCELLENCY—In connection with Minute No. 28 I should like to explain that this vote is to provide compensation to the Hongkong Electric Tramway Company for loss incurred in the recent boycott of its cars in consequence of the Company's decision to accept nothing but the legal tender of the Colony in payment of fares. This boycott was in effect a conspiracy to defeat the law of the Colony and for that reason the Government undertook to come to the assistance of the Company. The Government has recommended a total sum of \$45,000 in round figures as compensation, and this is an instalment on account pending the final decision of the Secretary of State in the matter.

The motion was then agreed to.

Resolution under the Tramways Ordinance

THE ATTORNEY-GENERAL—I beg to move the resolution under section 7 of the Tramway Ordinances, 1902 to 1912, standing in my name. I do not think that I need say anything in moving this resolution, because the terms of the resolution itself contain everything which can be said about the matter. If I were to say anything further it would merely be to repeat the actual phraseology of the motion itself.

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

The resolution was in the following terms:—

Whereas by the provisions of Section 7 of the Tramway Ordinance, 1902, as amended by the provisions of the Tramway Amendment Ordinance, 1912, it is *inter alia* provided that subject to the approval of the Governor-in-Council after timely and adequate notification by public advertisement or otherwise of the intention of the Company to apply for such approval and after such approval has been confirmed by a resolution of the Legislative Council, the Company may construct and maintain, subject to the provisions of the Principal Ordinance and in accordance with plans to be previously deposited in the office of the Director of Public Works, all such lines, crossings, passing places, sidings, junctions, turn-tables and other works in addition to or as extension of those particularly specified in and authorized by the Principal Ordinance as may be approved of by the Governor-in-Council, and may work and use the same and whereas timely and adequate notification by public advertisement or otherwise of the intention of the Company to apply for an extension of Section 5 of their Tramway by a single line commencing at the existing termination of the said Section No. 5 and terminating in Wong-nei-chong Road about opposite the North Western corner of Inland Lot No. 1927 has been made and whereas the Company has duly applied for the approval of the Governor-in-Council to the proposed extension as aforesaid and whereas the Governor-in-Council has on the 8th of May, 1913, approved of the said extension:—

Now it is hereby resolved that the approval of the Governor-in-Council so given as aforesaid shall be and is hereby confirmed.

Public Works Committee

THE DIRECTOR OF PUBLIC WORKS, by command of H.E. the Governor, laid upon the table the Reports of the Public Works Committee, No. 4 of 1912 and No. 1 of 1913.

Papers

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the Report of the Harbour Master for the year 1912, Report on the New Territories for the year 1912, Report on the Police Magistrates' Court for 1912, and the Quarterly return of Excesses on Sub-Heads met by saving under Heads of Expenditure for the first quarter of 1913.

Deportation Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance to amend the Deportation Ordinances, 1912." In doing so he said—The objects and reasons which are attached to the Bill give, I think, a complete *résumé* of its contents, and in moving the first reading I do not think it is necessary for me to say anything further.

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

Supplementary Estimates

THE COLONIAL SECRETARY moved the first reading of a Bill entitled, "An Ordinance to authorize the Appropriation of a Supplementary sum of thirty thousand six hundred and nine dollars and fifty-seven cents, to defray the charges of the year 1912."

THE COLONIAL TREASURER seconded, and the Bill was read a first time.

The items specified are:—

Miscellaneous Services	\$12,054.04
Public Works, Recurrent	18,536.44
Charitable Services	19.09

Total	\$30,609.57

Foreign Silver and Nickel Coin Ordinance

THE COLONIAL SECRETARY moved the first reading of a Bill entitled, "An Ordinance to prohibit the importation and circulation of certain foreign coins." In doing so he said—I may be permitted to make a few remarks on the first reading, inasmuch as it is of some importance that this Bill should be passed through the Council early. Members are no doubt aware of the circumstances leading to the introduction of this Bill, but I take this opportunity of briefly recapitulating them. Up to the year 1905 a considerable demand for the subsidiary coin of the Colony existed, notwithstanding the existence of the Canton Mint from about 1891. In the year 1905 the demand suddenly ceased and the coinage fell to a discount, in which condition it has remained ever since, the discount fluctuating with the commercial seasons

of the year. The Government policy in regard to rehabilitation has been confined hitherto to sending to England for sale as bullion the stocks accumulated by the receipt of revenue. This policy was temporarily abandoned in 1911, when the stocks were sold in the open market. But this system was abandoned on the instructions of the Secretary of State. In all a nominal sum of something over \$7,000,000 has been redeemed as above, leaving the balance of issues at about \$36,000,000, a large part of which has no doubt dropped out of circulation for various reasons. So far as the policy of redemption is concerned there has been no result in regard to increase in the market value of the coin. In 1907 a committee sat on the question of the rehabilitation of the currency, and the majority urged the policy of protection by prohibiting the circulation of foreign coin, but this policy was not then adopted by Government: until last year the state of the copper currency made it almost imperative to take steps in the direction indicated, resulting in the passing of Ordinance No. 11 of 1912, which has proved entirely successful in regard to copper coin. The matter of the silver coinage, still remaining as formerly, has been brought more acutely to public notice by the trouble arising last year from the Tramway Company's resolution to accept none other than legal tender in payment of fares. At this time most leading members of the community, both British and Chinese, expressed the opinion that the time for taking steps with a view to prohibition of foreign coin had arrived, and the Secretary of State was addressed accordingly on the subject. The result is the Bill now before the Council. The date of coming into operation has been put at 1st January next, as suggested, but this point will be open to discussion in committee. I conclude by drawing attention to the fact that legitimate exchange business is in no way interfered with by the proposed law.

THE COLONIAL TREASURER seconded, and the Bill was read a first time.

The objects and reasons attached to the Bill are:—

The Order-in-Council published in the *Gazette* of the 30th March, 1895, regulates the currency of the Colony while Ordinance No. 11 of 1912 prohibits the importation and circulation of foreign copper coins.

There is, however, no law in force on the subject of the importation and circulation of foreign silver and nickel coins.

This Bill, drafted on the lines of Ordinance No. 11 of 1912 above referred to, remedies this defect which

it is highly desirable to remove in order that proper measures may be taken for the rehabilitation of the subsidiary currency of the Colony; a matter in regard to which the exclusion of foreign coin is the first essential.

The confusion presently existing on account of the impossibility of regulating the total amount of small coin in circulation and so maintaining their token value and on account of the uncertainty in regard to tender will disappear on the Bill becoming law.

The Bill is understood to have the unanimous approval of the Mercantile Community.

Foreign Notes (Prohibition of Circulation) Ordinance

THE COLONIAL SECRETARY moved the first reading of a Bill entitled, "An Ordinance to prohibit the circulation of foreign notes." In doing so he said—
In this connection I may point out to members who are fully aware of the conditions under which notes may be issued by the three Banks mentioned in the Bill that the issue is restricted by very stringent conditions contained in Ordinances and the charter relating to them. Members are also aware of the existence of Ordinance No. 2 of 1895 prohibiting the issue of notes without authority, but up till now there has been no law in regard to the circulation of foreign notes, which is inconsistent with the prerogative of the Crown in regard to currency and which compete with local notes without the disadvantage of paying stamp duty. This Government has for some time viewed with concern the increase in such foreign issues, as no restriction or control short of actual total prohibition is possible. Hence it was decided to introduce this Bill which has been sanctioned by the Secretary of State. I may point out again that this Bill will not in any way interfere with legitimate exchange business.

THE COLONIAL TREASURER seconded, and the Bill was read a first time.

HON. SIR KAI HO KAI—I would ask leave to say a few words about these two Bills.

THE COLONIAL SECRETARY — The hon. member is not in order.

HON. SIR KAI HO KAI—I was only going to ask that the second reading of these Bills should not be taken for another fortnight.

HIS EXCELLENCY agreed.

The objects and reason attached to the Bill are:—

Ordinance No. 2 of 1866 with amending Ordinances regulates and controls, *inter alia*, the issue of notes by the Hongkong and Shanghai Banking Corporation, Ordinance No. 65 of 1911 that of the Mercantile Bank of India, while the issue by the Chartered Bank of India, Australia and China is regulated by its Charter.

Ordinance No. 2 of 1895 prohibits any unauthorised issue by other Banks doing business in the Colony, but there is no law at present to restrain the circulation of notes issued by parties having their head-quarters at places adjacent to Hongkong.

It is obviously desirable to protect the public against a note issue in respect of which Government holds no security and over which it possesses no control.

Rope Company's Tramway (Revival) Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance to revive the Rope Company's Tramway Ordinance, 1901." In doing so he said—Certain rights and privileges which were granted under that Ordinance were accidentally allowed to expire, and it is necessary that this Bill should be passed in order that they should be revived.

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

The objects and reasons attached to the Bill are:—

The object of this Bill is to continue in force the rights, powers and privileges granted by the Rope Company's Tramway Ordinance, 1901, to the Hongkong Rope Manufacturing Company, Limited, which have been allowed to lapse.

HIS EXCELLENCY—Council stands adjourned until this day fortnight.

FINANCE COMMITTEE.

A meeting of the Finance Committee was held afterwards, the COLONIAL SECRETARY presiding. The following votes were passed:—

Building Sites at the Happy Valley

The Governor recommended the Council to vote a sum of \$14,000 in aid of the vote Public Works, Extraordinary, Hongkong, Communications, Roads and Streets, Road giving access to Inland Lots Nos. 1946 and 1947.

THE CHAIRMAN explained that this sum was for the opening up of two lots at the Happy Valley.

HON. MR. HEWETT—It seems a large sum to pay for opening up two lots.

THE DIRECTOR OF PUBLIC WORKS—The premium realised by the sale of the two lots was \$27,000, and there is Crown rent in addition, and the lots are under heavy building covenants, \$100,000 for one lot alone.

HON. MR. HEWETT—Incidentally we are having the beauty of the Happy Valley destroyed by the rapacity of the Government in selling these sites for filthy lucre.

THE CHAIRMAN—I do not think that is admitted.

THE DIRECTOR OF PUBLIC WORKS—The beauty of the scene will be rather enhanced.

HON. MR. HEWETT—I understand the Director of Public Works said the central part of the town is enhanced by the beauty of the Law Courts.

Extension of the Slaughter House

The Governor recommended the Council to vote a sum of \$6,700 in aid of the vote Public Works, Extraordinary, Hongkong, Buildings, City Slaughter House—Extension.

New Territory Works

The Governor recommended the Council to vote a sum of \$2,500 in aid of the vote Public Works, Extraordinary, New Territories, Miscellaneous, Miscellaneous Works

Yaumati Market

The Governor recommended the Council to vote a sum of \$6,100 in aid of the vote Public Works, Extraordinary, Kowloon, Buildings, Yaumati — Vegetable and Fruit Market.

Dredger Expenses

The Governor recommended the Council to vote a sum of \$1,100 in aid of the vote Public Works, Recurrent, Hongkong, Miscellaneous, Upkeep of Plant.

Tramway Boycott Losses

The Governor recommended the Council to vote a sum of \$30,000 in aid of the vote Miscellaneous Services, Compensation to the Hongkong Tramway Co., Ltd.

THE CHAIRMAN—His Excellency explained this vote to members of Council and there is nothing more to add, but I will answer any questions if possible.

H.E. THE GENERAL—Is \$30,000 an estimate of the sum they lost?

THE CHAIRMAN—The calculation is made so as to allow them to pay a five per cent. dividend during the period of the boycott last year. It does not recoup them for their entire losses.

SIR KAI HO KAI—The whole of this vote has been referred to the Secretary of State?

THE CHAIRMAN — The Secretary of State requested us to pay this as an instalment on account. He is now considering the final figure.