

In making this compromise the Government was guided by the following considerations. A dispute had occurred between the outgoing and the incoming lessee, with the result that the former had removed all the buildings that were on the site. It would take time and money to erect new buildings and the Government was not prepared to grant a long lease, as it would soon require the land for its own purposes. It seemed probable in the circumstances that, if the site was put up to tender again, the rental would be much reduced, and at the same time it was desired to avoid the expensive legal proceedings of uncertain result which would be necessary in order to enforce the contract which had been made.

- (b) The amount of the second highest tender was \$2,370 a month.

A. D. BALL,
Clerk of Councils.

COUNCIL CHAMBER,
10th May, 1919.

No. 215.—The Honourable Mr. Ho Fook gave notice, on the 2nd April, 1919, of the following questions:—

Will the Government state

- (a) Whether the terms and conditions attached to the Kowloon Ferry Service have been varied or modified since the highest tender was accepted? And, if so, what are the variations or modifications and the reasons therefor?
(b) What was the amount of the second highest tender?

The replies thereto are as follows:—

- (a) The Government is negotiating with the Ferry Company with regard to substantial modifications in the terms and conditions attached to the Yaumati and Shamshuipo Ferry Service.

It is considered to be in the public interest that all possible facilities should be given to the Chinese population in order to induce them to live on the north side of the harbour and so to relieve the congestion in Victoria; and to this end a cheap ferry service is essential. The Government does not wish to make a profit out of the service and and it has suggested to the Company that it should reduce the fares which it is entitled under its lease to charge, on condition that a reduction is made in the monthly payment of \$9,900 due to the Government. An agreement has not yet been reached.

- (b) The amount of the second highest tender was \$6,000 a month.

A. D. BALL,
Clerk of Councils.

COUNCIL CHAMBER,
15th May, 1919.

No. 216.—His Majesty the King has not been advised to exercise his power of disallowance with respect to the following Ordinance:—

Ordinance No. 15 of 1918.—An Ordinance to amend further the Arms and Ammunition Ordinance, 1900.

A. D. BALL,
Clerk of Councils.

COUNCIL CHAMBER,
12th May, 1919.