

HONGKONG.DESPATCH RESPECTING ESTIMATES OF REVENUE AND
EXPENDITURE FOR 1890.

*Presented to the Legislative Council, by Command of His
Excellency the Officer Administering the Government.*

HONG KONG.
No. 67.

DOWNING STREET,
18 April, 1890.

SIR,

I have had under consideration the Estimates of the Revenue and Expenditure of Hong Kong for 1890 which accompanied Sir GEORGE DES VŒUX'S despatch No. 391 of the 24th of December last.

2. Subject to the reservations contained in the following remarks, I approve of the proposed expenditure.

3. In his Despatch No. 326 of the 21st of November 1888, Sir GEORGE DES VŒUX enclosed a scheme by the Head Master of the Central School according to which considerable additions would be made to the salaries of his staff. Sir GEORGE DES VŒUX stated that he was not prepared to adopt this scheme without consulting me, and added that he hesitated to put the salaries at the figures suggested. In reply I requested him to make recommendations on the subject after consultation with the Executive Council. It now appears that Mr. WRIGHT'S scheme has been practically adopted *en bloc*. In the absence of any explanation, I can only conclude that after due deliberation and consultation with the Executive Council, Sir GEORGE DES VŒUX'S hesitation as to adopting Mr. WRIGHT'S scheme was removed, and that the salaries now proposed are not considered more than sufficient for securing the services of competent masters. On that understanding I approve of these increases. The salaries affected will of course be thus removed from the operation of any general scheme of increase which may be adopted on account of a rise in the cost of living in the Colony.

4. Under the Head of Works and Buildings, I observe an increase of the vote for Repairs from \$21,000 to \$25,000. This I presume is in consequence of the damage done by the great rain-storm. But whatever the cause may be it should have been stated in the notes, the increase being a considerable one. The increases for "maintenance of water works" and for "Miscellaneous Works" are even greater in proportion to the total amount and deserve some words of explanation.

5. The preceding remark applies equally to the increase of the item for "Local Police Telegraph services" under the head "Miscellaneous" and to that for "Printing Forms and Documents for all Departments."

6. A very large proportion of the total proposed increase of ordinary expenditure, (indeed nearly one half), is under the Surveyor General's Department. SIR GEORGE DES VŒUX appears to have practically embodied in the Estimates the staff proposed in his Despatch No. 234 of the 27th of July last. This would account for something like \$16,000 or \$17,000 out of the total increase of \$24,482.

The Officer Administering the Government of

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The remainder consists apparently of increases to subordinate officers, such as overseers and clerks, and the creation of new offices of like nature. In regard to these latter offices, I have no alternative to accepting the Surveyor General's recommendations as endorsed by the Governor in Council. But with respect to the offices which formed the subject of Sir GEORGE DES VŒUX's Despatch No. 234 of 27 July 1889, and my reply No. 243 of 28 December, I reserve approval of the present Estimates pending the consideration of the further Report on the subject from Mr. BROWN, which in the last mentioned Despatch I requested Sir GEORGE DES VŒUX to procure.

7. With regard to Mr. BROWN's own salary, I notice that Sir GEORGE DES VŒUX considers that in the present circumstances of the Department a salary of £1,000 by which I presume is meant \$6,660 is sufficient for the Surveyor General, and he only recommends a salary of \$7,992 in consideration of Mr. BROWN having been led to expect a salary of £1,200 before he left Cyprus. With respect to this consideration I have only to refer to the last paragraph of my Despatch No. 170 of the 30th of August last, and looking to the fact that \$6,660 will, even if the rate of exchange does not rise, be an increase of more than £200 on the rate of salary paid to Mr. BROWN in Cyprus, subsequently to his appointment there being changed from a temporary to a pensionable one, I am not prepared to sanction a larger salary than this amount.

8. Turning to the Estimates of Expenditure on extraordinary works, I am somewhat at a loss, owing to the absence of information and the existence of some apparent discrepancies between the statement furnished by the Acting Auditor General, and the corresponding statement by the Auditor General in connection with the Estimates for last year. The works which appeared in the last named statement are now omitted, viz. the Slaughter House Sulphur Channel estimated to cost \$50,000 of which according to the Surveyor General's statement \$500 has probably been spent, and the Police Buildings extension, estimated to cost \$135,000 of which \$42,188 had been spent up to 31st December 1887.

9. It is not stated whether the one new District School and the two Public Latrines now estimated for, are to take the place of the 5 Schools and 12 Latrines put down in last Estimates. If the Colony is committed to building the larger number, they should have appeared in the Statement although only the cost of those which could be built within the year would be included in the Votes. Again the Estimate for the Cattle Market Extension and new sheep and pig market, is \$20,000 and a vote for the whole of this is taken, although \$1,530 is said to have been spent before the 31st December 1888. Similarly the entire estimate for the Filter bed at Pokfoolum, viz., \$35,500 is inserted although \$4,000 were spent in 1889.

10. I notice a large increase in some of the Estimates of the total cost of works—that for the new Central Market was raised and more than doubled before Mr. BROWN's appointment, but he has revised and increased those for Hospital quarters from \$43,000 to \$75,000, Laundries from \$20,000 to \$25,000, Police Station Aberdeen from \$20,000 to \$25,000, The Epidemic Hospital Hulk from \$30,000 to \$50,000.

On the other hand there is no vote for a new Gaol, the necessity of which has been repeatedly impressed upon the Hong Kong Government.

11. I do not wish to imply any doubt that the Colony, provided the Revenue continues to remain expansive, can afford to construct in a substantial way many public works of which there is pressing necessity, but the way in which the Estimates have been framed of late years seems to indicate a tendency to initiate numerous works on a perhaps unnecessarily liberal scale, without due regard to the capabilities of the Public Works Department, the relative importance of the works, and the possibility of defraying the total expenditure to which the Colony will thus be ultimately committed.

12. I shall be glad to receive at an early date an accurate statement showing all the public works which are in contemplation with the estimated cost of each, the amount spent on each up to the 31st of December last, and the amount which it may reasonably be expected that the Public Works Department will be able to spend on each during the year. I need scarcely point to the futility of placing on the Estimates sums largely in excess of the powers of that Department to make use of. The statement requested should include details and explanations of the item for "Sanitary Works" which was originally \$1,500,000 (of which about \$500,000 has been spent), and as to which no information has ever reached me. The public works to which the Colony is actually committed should be distinguished, and a statement made as to the comparative urgency of all. It seems that even if funds are forthcoming it will take many years to carry out the programme now contemplated, and unless some works are altogether postponed others of pressing necessity must be delayed.

13. Pending the receipt of the information above asked for, I limit my approval to those works to which the Colony is already committed, and to those which are deemed to be of urgent necessity.

I have the honour to be,

Sir,

Your most obedient

humble Servant,

KNUTSFORD.

P.S.—I have to add that if it should be decided that any general increase of salaries should be given in Hong Kong and the rate of exchange for drawing salaries on leave and pensions in this country be lowered as a condition of the increased salary, (as has been proposed in similar circumstances at the Straits Settlements), the same condition will be applied to the increases of salary to the Schoolmasters and the Surveyor General sanctioned in the present Despatch.