DESPATCH RESPECTING THE DEFENCES OF HONGKONG.

Presented to the Legislative Council by Command of His Excellency the Governor.

The Secretary of State for the Colonies to Governor Sir George F. Bowen, G.C.M.G.

> Downing Street, 17th September, 1884.

SIR,

With reference to previous correspondence on the subject of the defences of Hongkong, I had the honour to telegraph to you on the 12th instant in the following words: "Arrangements concluded for Colonial defences; full details by post as to Colonial Expenditure under new scheme; in the meantime advance to General Officer Commanding amount required; instructions will be sent by telegraph to him."

The Report of the Royal Commission on the defence of British possessions and commerce abroad has been carefully considered by Her Majesty's Government, and the recommendations of the Inspector General of Fortifications on that report have been generally approved and accepted as a basis of action. In accordance with these recommendations the works, which it is proposed to erect at Hongkong, are estimated to cost fifty-five thousand six hundred and twenty-five pounds, and the corresponding armament to cost thirty-seven thousand five hundred pounds.

It was at first proposed to charge the whole of this expenditure on Colonial funds, but as was mentioned in the House of Commons on the 7th of July by the Marquis of Hartington, Her Majesty's Government have now arrived at the decision that the Colony of Hongkong should defray only the cost of the necessary works, the Imperial Government contributing the armament.

I have gathered from your despatches that your Legislative Council will cheerfully vote the amount required for this purpose.

Such sums as may be immediately required for the works about to be commenced should be met from the existing balances. As you were informed in my despatch No. 178 of 28th August, 1883, when these balances are exhausted, a loan can be raised; the only difference now being that the loan will have to be of sufficient amount to meet such portion of the cost of the military works, as well as of the other public works as may then remain to be defrayed.

I am unable to hold out any hope of Her Majesty's Government consenting to guarantee any loan to be raised for defence works, as you suggested in your despatch No. 51 of the 19th of February last, especially in view of the large amount which will be contributed from Imperial Funds.

You will of course consider with your Council when the proper time has arisen for raising the required loan.

I have, &c.,

(Signed) DERBY.