

HONGKONG.

REPORT ON THE BLUE BOOK FOR 1905.

*Laid before the Legislative Council by Command of
His Excellency the Governor.*

No. 99.

HONGKONG.

GOVERNMENT HOUSE,
HONGKONG, 27th April, 1906.

MY LORD,

I have the honour to submit for Your Lordship's information the following general Report on the annual Blue Book for the year 1905.

I.—FINANCES.

The Revenue for the year, exclusive of Land Sales, amounted to \$6,526,144.09, or \$203,194.74 more than the previous year. Land Sales amounted to \$392,259.76, or \$93,838.88 less than in 1904. The total revenue from all sources was therefore \$6,918,403.85, or \$109,355.86 greater than in any previous year, and \$280,207.15 less than the estimate. All the main sources of revenue show an excess over 1904 with the exception of Rent of Government Property, Miscellaneous Receipts and Land Sales.

Post Office Receipts, Interest and Water Account brought in together \$34,933.55 more than was estimated. The receipts under the remaining heads of revenue were altogether \$315,140.70 less than were anticipated when the estimates were drawn up.

The Expenditure for the year was \$5,277,834.45 exclusive of Public Works Extraordinary; inclusive of that item it was \$6,951,275.26, or \$575,039.96 more than the total expenditure of 1904 and \$223,916.74 less than the estimates for 1905.

Deducting from the actual receipts for 1905 the total actual expenditure, there was a deficit of \$32,871.41 on the actual working of the year.

(a.)—GENERAL REVENUE AND EXPENDITURE.

The following is a brief abstract of Revenue and Expenditure for the years 1904 and 1905:—

Revenue.

	1904.	1905.	Increase.	Decrease.
	\$ c.	\$ c.	\$ c.	\$ c.
Light Dues,	72,330.16	74,233.45	1,903.29	...
Licences and Internal Revenue not otherwise specified,	4,509,162.78	4,725,906.25	216,743.47	...
Fees of Court, &c.,	403,854.60	417,417.37	13,562.77	...
Post Office,	408,458.92	414,838.19	6,379.27	...
Rent of Government Property,	688,321.41	672,161.82	...	16,159.59
Interest,	7,813.43	10,073.12	2,259.69	...
Miscellaneous,	167,059.66	121,491.65	...	45,568.01
Water Account,	65,948.39	90,022.24	24,073.85	...
Land Sales,	486,098.64	392,259.76	...	93,838.88
Total,	6,809,047.99	6,918,403.85	264,922.34	155,566.48
			Deduct Decrease,	155,566.48
			Nett Increase,	109,355.86

The Right Honourable

THE EARL OF ELGIN, K.G.,

His Majesty's Principal Secretary of State for the Colonies,

&c.,

&c.

Expenditure.

—	1904.		1905.		Increase.		Decrease.	
	\$	c.	\$	c.	\$	c.	\$	c.
Non-effective Charges,	372,154.46		365,108.59		...		7,045.87	
General Administration,	900,784.82		1,226,584.57		325,799.75		...	
Law and Order,	855,506.25		846,275.69		...		9,230.56	
Public Health,	647,926.69		653,420.65		5,493.96		...	
Public Instruction,	155,189.34		162,277.58		7,088.24		...	
Public Works,	2,129,900.58		2,276,646.79		146,746.21		...	
Defence,	1,314,773.16		1,420,961.39		106,188.23		...	
Total,	6,376,235.30		6,951,275.26		591,316.39		16,276.43	
					Deduct Decrease,	16,276.43		
					Nett Increase,	\$575,039.96		

The following Table shows the total revenue and expenditure for the five years 1901-1905 :—

—	1901.	1902.	1903.	1904.	1905.
	\$	\$	\$	\$	\$
	c.	c.	c.	c.	c.
Revenue,	4,213,893.22	4,901,073.70	5,238,857.88	6,809,047.99	6,918,403.85
Expenditure,	4,111,722.49	5,909,548.51	5,396,669.48	6,376,235.30	6,951,275.26
Surplus,	102,170.73	...	...	432,812.69	...
Deficit, .....	...	1,008,474.81	157,811.60	...	32,871.41

(b.)—ASSETS AND LIABILITIES.

At the end of the year 1905, the assets of the Colony amounted to \$15,560,894.98, or including arrears of revenue \$15,891,606.13. The total liabilities were \$15,119,399.32, so that the surplus of assets over liabilities amounted to \$772,206.81.

(c.)—PUBLIC DEBT.

There is a public debt of £341,799 15s. 1d. outstanding. The original debt was incurred in connection with the Praya Reclamation, the Central Market, and Water, Drainage and Sewerage Works. Interest at 3½ per cent. is payable on the loan, which is being paid off by a Sinking Fund now amounting to £37,611 14s. 4d.

An advance by the Crown Agents of £1,100,000 for the purposes of a loan to the Viceroy of the Hu-Kuang Provinces is referred to under the heading of "General Observations" at the end of this report.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES,
AGRICULTURE AND LAND.

(a.) TRADE AND SHIPPING.

The following Table in which the figures represent tonnage, shows the principal articles of import in the year 1905 in vessels of European construction, compared with similar returns for 1904. :—

Articles.	1904.	1905.	Increase.	Decrease.
Beans,.....	750	2,113	1,363	.....
Bones,.....	400	.....	.....	400
Coal,.....	1,152,454	1,083,987	.....	68,467
Cotton Yarn and Cotton,.....	19,350	32,949	13,599	.....
Flour,.....	115,921	54,508	.....	61,413
Hemp,.....	19,382	26,784	7,402	.....
Kerosine (bulk),.....	56,965	43,411	.....	13,554
" (case),.....	100,692	74,506	.....	26,186
Lead,.....	3,563	800	.....	2,763
Opium,.....	2,955	2,983	28	.....
Liquid Fuel,.....	9,727	850	.....	8,877
Rattan,.....	5,080	3,430	.....	1,650
Rice,.....	823,339	566,171	.....	257,168
Sandalwood,.....	3,300	3,386	86	.....
Sulphur,.....	187	.....	.....	187
Sugar,.....	205,696	311,787	106,091	.....
Tea,.....	.....	900	900	.....
Timber,.....	66,200	66,324	124	.....
General,.....	1,564,678	1,594,862	30,184	.....
Total,.....	4,150,639	3,869,751	159,777	440,665
Transit,.....	3,151,926	3,415,418	263,492	.....
Grand Total, ...	7,302,565	7,285,169	423,269	440,665
		Nett,.....	.....	17,396

The total tonnage entering and clearing during the year 1905 amounted to 34,185,091 tons, being an increase, compared with 1904, of 622,305 tons, and the highest tonnage yet recorded.

There were 227,909 Arrivals of 17,142,393 tons, and 224,849 Departures of 17,042,698 tons.

Of British Ocean-going tonnage, 3,839,080 tons entered and 3,833,274 tons cleared.

Of British River Steamers 2,776,982 tons entered and 2,777,040 tons cleared.

Of Foreign Ocean-going tonnage, 2,917,550 tons entered and 2,903,235 tons cleared.

Of Foreign River Steamers, 329,743 tons entered and 329,854 tons cleared.

Of Steamships under 60 tons trading to ports outside the Colony, 35,724 tons entered and 35,724 tons cleared.

Of Junks in Foreign trade, 1,428,966 tons entered and 1,446,474 tons cleared.

Of Steamships under 60 tons plying within the waters of the Colony 4,622,661 tons entered and 4,546,651 tons cleared.

Of Junks in Local Trade 1,191,717 tons entered and 1,170,446 tons cleared.

Thus :—

British Ocean-going Vessels represented	22.4
Foreign " " " "	17.0
British River Steamers "	16.2
Foreign " " " "	2.0
Steamships under 60 tons Foreign Trade represented	0.2
Junks in Foreign Trade "	8.5
Steamships under 60 tons Local Trade "	26.7
Junks in Local Trade "	7.0
	100.0

Comparative Shipping Return for the Years 1904 and 1905.

	1904.		1905.		Increase.		Decrease.		
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	
British Ocean-going.	4,318	7,708,734	3,995	7,672,324	...	...	323	36,410
Foreign Ocean-going.	3,696	5,350,847	3,845	5,820,785	149	469,938	...	...
British River Steamers.	5,872	5,697,360	7,488	5,554,022	1,616	...	...	143,338
Foreign River Steamers.	1,036	470,371	975	659,597	...	189,226	61	...	
Ships under 60 tons (Foreign Trade).	2,054	105,784	1,800	71,448	...	...	254	34,336
Junks in Foreign Trade.	36,251	3,072,270	33,475	2,875,440	...	...	2,776	196,830
Total.	53,227	22,405,366	51,578	22,653,616	1,765	659,164	3,414	410,914	
Steam launches plying in the Colony.	207,502	8,808,744	327,913	9,169,312	30,411	360,568	...	...
Junks in Local Trade.	62,965	2,348,676	63,267	2,362,163	302	13,487	...	...
Grand Total.	423,691	33,562,786	462,758	34,185,091	32,478	1,933,219	3,414	410,914	
					NET.	29,064	622,305

* Including 32,424 Conservancy and Dust Boats of 1,176,625 tons.

† Including 32,424 Conservancy and Dust Boats of 1,176,625 tons.

For Ocean Vessels under the British Flag, this Table shows a decrease of 320 ships of 36,410 tons. This decrease loses any significance it may at first sight appear to possess when viewed in conjunction with my report for 1904, where an increase appeared of 352 ships of 930,300 tons, which was shown to be practically due to special circumstances connected with the late war. These special circumstances being removed with the advent of the Baltic Fleet in Far Eastern waters in April, 1905, the shipping tended to return to its normal state, and we are left with a net increase over the figures for 1903 (neglecting those for 1904) of 32 ships and 893,890 tons.

In British River Steamers there is an increase shown of 1,616 ships, which is due to the additional small steamers put on to the West River run, and to two very small craft plying between here and Mirs Bay, which have been treated as River Steamers, though they do not strictly satisfy the definition. The decrease in tonnage, of 143,338 tons, is accounted for by the fact that three moderate sized vessels were taken off the run early in the year, and much smaller craft substituted.

For Foreign Ocean Vessels an increase of 149 ships of 469,938 tons is shown. Here, again, reference to my 1904 report is necessary in order properly to appreciate the significance of the figures. During that year, on account of the war, there was the enormous decrease of 1,149 ships of 1,910,589 tons, of which Japanese shipping accounted for 834 ships of 1,809,000 tons. The causes militating against the employment of Japanese ships were not removed until late in 1905, indeed, they are not completely removed even now, so that the increase now shown is but the partial restoration to normal conditions, and should really be read as a net decrease, on the figures for 1903, of 1,000 ships of 1,440,951 tons.

In Foreign River Steamers the decrease of 61 ships is due to the fact that two small Chinese vessels have become British, and the increase in tonnage to the more frequent running of two moderate sized French Steamers.

The remaining increases and decreases do not present any points of importance, with the exception of the large increase in Steam Launches plying within the waters of the Colony, which affords good evidence of the enhanced internal traffic in the Colony.

The actual number of ships of European construction (exclusive of River Steamers and Steam Launches) entering during the year was 889, being 506 British and 383 Foreign.

These 889 ships entered 3,926 times, and gave a total tonnage of 6,756,600 tons. Thus, compared with 1904, 4 more ships entered 61 less times, and gave a collective tonnage increased by 212,890 tons.

The following Tables show the nationality of the steamers and sailing vessels that visited the port :—

STEAMERS.

Flag.	Ships.		No. of Times entered.		Total Tonnage.	
	1904.	1905.	1904.	1905.	1904.	1905.
British,	498	490	2,151	1,983	3,843,355	3,806,792
Austrian,	13	10	32	26	102,349	88,326
Belgian,	1	1	1	1	2,047	1,794
Chinese,	15	14	180	165	241,085	214,720
Danish,	4	7	13	18	26,817	24,206
Dutch,	9	10	44	35	84,379	77,205
French,	36	39	238	207	234,977	288,911
German,	147	163	861	887	1,268,835	1,394,255
Italian,	6	8	20	56	38,212	51,492
Japanese,	30	10	51	29	114,951	34,573
Norwegian,	60	85	253	346	276,211	381,479
Portuguese,	4	5	53	69	12,167	11,800
Russian,	5	1	5	1	14,578	2,903
Spanish,	2	...	2	...	6,017	...
Swedish,	4	2	12	19	8,582	20,210
United States,	24	22	64	62	232,857	314,101
No Flag,	1	...	1	...	2,500	...
Total,	859	867	3,981	3,904	6,509,919	6,712,767

SAILING VESSELS.

Flag.	Ships.		No. of Times entered.		Total Tonnage.	
	1904.	1905.	1904.	1905.	1904.	1905.
British,	11	16	11	16	19,447	32,258
Dutch,	1	...	1	...	84	...
French,	2	...	2	...	3,444	...
German,	1	1	1	1	47	2,193
Italian,	2	...	2	...	994	...
Norwegian,	2	1	2	1	3,651	1,199
Sarawak,	1	...	2	...	1,338	...
United States,	4	4	4	4	2,867	8,183
No Flag,	1	...	1	...	919	...
Total,	25	22	26	22	32,791	43,833

During the year 1905, 16,303 vessels of European construction, of 19,706,728 tons (nett register), reported having carried 10,277,939 tons of cargo, as follows:—

	Tons.
Import cargo,	3,869,751
Export „	2,343,701
Transit „	3,415,418
Bunker coal shipped,	649,069

10,277,939

In Imports there is a decrease reported of 280,888 tons.

In Exports there is a decrease reported of 262,160 tons.

In Transit Cargo there is an increase reported of 263,492 tons.

In Bunker Coal there is a decrease of 15,349 tons.

The total reported Import Trade of the Port for 1905 amounted to 25,764 vessels of 11,328,015 tons, carrying 7,830,424 tons of cargo, of which 4,415,006 tons were discharged at Hongkong. This does not include the number, tonnage, or cargo of vessels in Local Trade.

Similarly, the Export Trade from the Port was represented by 25,814 vessels of 11,325,601 tons, carrying 3,011,305 tons of cargo, and shipping 651,523 tons of bunker coal.

64,341 Emigrants left Hongkong for various places during the year; of these, 48,289 were carried by British Ships and 16,052 by Foreign Ships; 140,483 were reported as having been brought to Hongkong from places to which they had emigrated, and of these, 113,796 were brought in British Ships and 25,586 by Foreign Ships.

The total Revenue collected by the Harbour Department during the year showed a decrease of \$366.19 on that of the previous year and was as follows:—

1. Light Dues,.....	\$74,233.45
2. Licences and Internal Revenue,.....	62,668.45
3. Fees of Court and Office,	163,665.86
	Total,
	\$300,567.76

(b.) INDUSTRIES.

During 1905 supplies of all Sugars were greater than during 1904, and in sympathy with other markets local prices continued to decline throughout the year. There was however a good demand for Refined Sugar in China, resulting in a profitable business for the two local Refineries, but demand from other markets fell off owing to their being overstocked with European Sugars.

As was anticipated at the end of 1904 the Cotton Spinning industry worked under very satisfactory conditions during the whole of 1905, and the comparatively low price of Cotton, combined with an active demand for Yarn, allowed of good profits being realized all through the twelve months.

The increased demand for Cement from the "Green Island" Company's factory at Hok Un necessitated the raising of further capital and the provision of new plant to increase the output from 150 to 240 tons a day.

The Rope factory at Kennedy Town did good business but was not working to its full output of 20,000 lb. a day throughout the year.

There was some falling off in the repairing and docking of ships at Hongkong probably due to increased competition from other places.

43 steam-launches and other vessels with an aggregate tonnage of 3,695 were built during the year.

A new industry under European direction—that of silvering mirrors—was started at Causeway Bay.

(c.) FISHERIES.

A considerable proportion of the boat-population of Hongkong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and many others in the New Territory are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(d.) FORESTRY, BOTANICAL SCIENCE AND AGRICULTURE.

116,780 trees were planted in Hongkong during the year, and 50,052 in the New Territory. Further experiments were initiated with a view to utilising the more barren portions of the Colony, notably with the Tea Oil tree (*Camellia oleifera*) and the Wood Oil tree (*Aleurites cordata*). Cotton was tried in various representative situations but with very meagre results. Control of the plantations of Pine licensed to Chinese in 1904 was maintained; the few breaches of the rules that occurred were dealt with by withdrawal of the licence. On the whole the licensing scheme seems to have suited the Chinese.

(e.) LAND GRANTS AND GENERAL VALUE OF LAND.

The amount received from sales of Crown Land was \$392,259 76, being some \$94,000 less than the receipts for the previous year. This falling off may be attributed to the general depression of business throughout the year and the consequent tightness of the money market.

In the early part of the year the intricate questions connected with Military lands and reserves in the Colony which since 1883 had formed the subject of continual discussion between the Military and Civil authorities were comprehensively dealt with by Major J. F. LEWIS, late R.E., deputed for that purpose by the War Department. An equitable settlement was proposed by that Officer, based on principles of which the adoption should minimize the chance of similar difficulties arising in the future. This settlement, accepted by the Governor and the General Officer Commanding, was approved by the Colonial Office, War Office and Treasury.

Building land in the urban portion of the Colony and in the Peak District is limited in extent with the natural consequence that house-rents, especially on the higher levels, have advanced to an extent probably unknown in other British Colonies.

III.—LEGISLATION.

Twelve Ordinances were passed during 1905, the most important measure being the New Territories Land Ordinance, No. 3 of 1905, which together with an amending Ordinance, No. 9 of 1905, is designed to facilitate the transfer of land in the New Territories and to provide a simple and inexpensive procedure for settling land disputes therein.

An amendment of the Vagrancy Ordinance, No. 2 of 1905, increases the liability of shipowners and masters who bring undesirable persons into the Colony, and enables rules to be made for the more rigorous treatment of vagrants in the House of Detention.

Provision is made under the Merchant Shipping Amendment Ordinance, No. 5 of 1905, for the carrying of suitable lights by junks, and the same Ordinance extends greater facilities in respect of the navigation of steamships of small size plying between Hongkong and the neighbouring ports of the Canton Province by lightening the somewhat onerous conditions hitherto imposed.

IV.—EDUCATION.

The number of Government and Grant Schools including Queen's College, is 83 of which 25 are Upper Grade Schools with a staff competent to give instruction in all the subjects of Standard VII, and 58 are Lower Grade Schools, under purely native management. Broadly speaking the Upper Grade Schools are taught in English, and the Lower Grade Schools are taught in the Vernacular.

The total number of pupils in average attendance at Government and Grant Schools was 5,353 against 4,970 in 1904. Of these, 1,797 were in Government and 3,556 in Grant Schools; 3,207 pupils received instruction in English, and 2,146 in the Vernacular. The proportion of boys to girls was 3,401 to 1,952.

The Victoria School for children of British parentage was opened at Caroline Hill, in 1904. The average attendance at this and the corresponding British School at Kowloon, taken together, was 93.

Lower Grade Anglo-Chinese Schools were opened at Tanglungchau and Aberdeen

Hygiene has been made a compulsory subject, and has been taught with satisfactory results in all Government and Grant Schools. 1,524 children received instruction in it during the year.

The Revenue derived from School Fees was \$41,170.50. The Expenditure was \$158,677.58, being 2.28% of the total expenditure of the Colony.

V.—PUBLIC WORKS.

The principal public works in progress during the year were the Tytam Tuk Waterworks (1st Section) and the Kowloon Waterworks, both of which have been described in previous reports. The former made good progress and the latter fair; a contract for 2 miles of the catchwaters in connection with it was let and was well advanced at the end of the year.

Of the larger buildings, the New Law Courts, Harbour Office and Western Market were all under construction, and the foundations of the New Government Offices were almost completed; the decision to erect a Clock Tower necessitating extra foundations prevented this Contract being entirely closed. The New Light and Tower at Green Island, the Disinfecting Station in Kowloon, Mongkoktsui Market and Yaumati School were finished, and the Gunpowder Depôt, Extension to Staff Quarters Government Civil Hospital, Taiipo Quarters, and Bacteriological Institute approached completion. The works of reconstruction of gullies and extension of nullah training were continued, \$10,000 being spent on the former and over \$20,000 on the latter: the Albany Nullah being one of the watercourses dealt with.

The Taikoktsui Reclamation was finished. \$150,000 was spent on further resumption of insanitary property in the vicinity of Mee Lun Lane. The system of 100-foot roads in Kowloon was extended; the section of Robinson Road running North and South between the sea and the Yaumati Theatre was finished, and also the branch to the westward (Sixth Street), and some progress was made with a further extension of this system near the Disinfecting Station, without expense to the Colony as the spoil from this road excavation was used for private reclamation in front of the Pumping Station.

The excavation of the sites for the New Albany Filter Beds was completed and the New Watchmen's House built.

The work on the Rider Main System was continued and Districts Nos. 1, 2, 3 and 4 were completed and brought under control.

The total amount expended on Public Works Extraordinary, exclusive of the Praya East Reclamation and Rider-Mains, was \$1,775,138.58, and on works annually recurrent, \$383,798.06.

VI.—GOVERNMENT INSTITUTIONS.

(a.) HOSPITALS.

Government Hospitals consist of the Civil Hospital to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, the Kennedy Town Infectious Diseases Hospital, and the hulk "*Hygeia*" used mainly for the treatment of small-pox.

The Civil Hospital contains 150 beds in 19 wards. 2,704 in-patients and 14,976 out-patients were treated during the year 1905, 267 cases of malarial fever were admitted as against 223 in 1904 and 346 in 1903. The Maternity Hospital contains 6 beds for Europeans and 4 for Asiatics. 64 confinements occurred during the year with 2 deaths. The Victoria Hospital, opened in November, 1903, by Sir HENRY BLAKE, is situated at the Peak and contains 41 beds. During 1905, 212 patients were under treatment. Kennedy Town Hospital contains 26 beds. In 1905, 42 cases were treated, of which 33 were plague. On the "*Hygeia*" 50 cases were treated, of which 48 were small-pox.

(b.) LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separate, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 178 patients of all races were treated during 1905, and there were 8 deaths.

(c.) THE TUNG WAH HOSPITAL.

This Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of \$6,000 from the Government. Only Chinese are treated in this institution which takes the place of a poor-house and hospital for Chinese sick and destitute, and is administered by an annually-elected body of 15 Chinese directors. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. The Hospital is managed by a Committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the College of Medicine for Chinese, and the City Hall.

The Pó Leung Kuk is an institution, incorporated in 1893, presided over by the Registrar-General and an annually-elected Committee of 12 Chinese gentlemen, for the protection of women and children. The inmates of the Home receive daily instruction in elementary subjects and are allowed to earn pocket-money by needle-work. During 1905, a total of 528 persons were admitted. Of these, 143 were released after enquiry, 19 were released under bond, 99 were placed in charge of their husbands, parents or relations, 3 were placed in charge of the Japanese Consul, 84 were sent to charitable institutions in China, 52 were sent to School, Convent or Refuge, 15 were adopted, 60 were married and 3 died.

The Hongkong College of Medicine for Chinese was founded in 1897, for the purpose of teaching surgery, medicine, and obstetrics to Chinese. The government of the College is vested in the Court, of which the Rector of the College, who has always been a Government official, is President. Ninety-five students have been enrolled up to the end of 1905, and of these 24 have become qualified licentiates and have obtained various posts under Government and elsewhere. The institution is of great value in spreading a knowledge of Western medical science among the Chinese; and in addition to the employment of certain of the licentiates in the public service, the senior students have frequently been made use of for various purposes during epidemics. A Government grant-in-aid of \$2,500 is made to the College, to be used as honoraria to the lecturers.

The City Hall receives an annual Grant of \$1,200 from Government. It contains a Reference Library and Museum.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 11,517 being a decrease of 295 or 2.49 per cent. over those reported in 1904. In the division of these cases into serious and minor offences there is a decrease in the former as compared with the previous year from 3,532 to 2,984, that is of 15.51 per cent., occurring in every nature of crime with the exception of assault with intent to rob.

The number of serious offences reported was 772 below the average of the quinquennial period commencing with the year 1901.

The number of minor offences reported shows an increase of 253 over the number for 1904, mainly in offences against the Spirits and Prepared Opium Ordinances.

The number of minor offences reported was 1,454 over the average of the quinquennial period.

The total number of persons committed to Victoria Gaol was 6,323, as compared with 7,464 in 1904, but of these only 2,816 were committed for criminal offences, against 4,027 in 1904. Of committals for non-criminal offences there were 121 more under the Prepared Opium Ordinance and 132 less for infringement of Sanitary Bye-laws.

The daily average of prisoners confined in the Gaol was 697, the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was .184 as compared with .214, the average percentage for the last ten years. The Prison discipline was satisfactory, the average of punishments per prisoner being 1.47, as compared with 1.1 in 1904 and 2.34 in 1903. The continued overcrowding of the Gaol emphasises the necessity for the proposed new Convict Prison, and the question of a fresh site has for some time past been under consideration.

The remunerative labour carried on in the Gaol consists of printing, book-binding, washing, carpentry, boot-making, net-making, painting and white-washing, mat-making, tailoring, oakum-picking, etc., the value of the work done being \$45,762.40.

The total strength of the Police Force for 1905 was Europeans 133, Indians 382, Chinese 503, making a total of 1,018, as compared with 993 in 1904 exclusive in each case of the four Superior Officers and a staff of clerks and coolies. Of this Force an Assistant Superintendent, who also acted as Magistrate, and 19 Europeans, 85 Indians and 44 Chinese were stationed in the New Territory during the greater part of the year.

The force of District Watchmen to which the Government contributes \$2,000 per annum was well supported by the Chinese during the year.

IX.—VITAL STATISTICS.

(a.) POPULATION.

The population of the Colony according to the Census taken in 1897 was 248,880 and according to the Census of 1901 it was 283,975 exclusive of New Kowloon and the Army and Navy Establishments. The estimated population at the middle of the year under-review was 377,850, as follows :—

Non-Chinese Civil Community,		10,452
Chinese Population, {	Hongkong,	211,246
	Old Kowloon,	73,473
	New Kowloon (approximate), ...	21,000
	Floating Population,	54,154
		359,873
Army, (average strength),	4,274	
Navy, (average strength),	3,251	
		7,525
		377,850
	Total,	

New Kowloon was brought under the jurisdiction of the Sanitary Board in 1904, and its estimated population has accordingly been included. The population of the remainder of the New Territories according to the census of 1901 was 85,011 making when added to the present estimate a grand total of 462,861.

At the Census taken in 1901 the actual number of members of the Navy present in the Colony was 5,597 and the estimated average number resident in Hongkong during 1905 is put at 3,251.

(b.)—PUBLIC HEALTH AND SANITATION.

During the year under review considerable progress has been made in providing existing domestic buildings with increased window area as required under the Public Health and Buildings Ordinance of 1903, 2,512 houses having been thus dealt with.

New buildings (domestic) to the number of 260 were erected during the year and in these the effect of the present Ordinance is seen in the increased amount of open space, about the houses, which the law requires. Scavenging lanes which have to be provided in the rear of new houses also increase the open space about them and tend to reduce surface crowding.

Under the Insanitary Properties Resumption scheme an area of 18,092 square feet has been resumed during the year in one of the most densely populated areas of the City.

During the year there were 287 deaths from plague, being 208 less than in 1904, and, except for the years 1895 and 1897, the lowest number of deaths from this disease since its appearance in 1894.

There were 1,585 deaths from Respiratory Diseases amongst the Chinese or 25.1 per cent. of all Chinese deaths.

Beri-beri caused 678 deaths—a high figure but slightly lower (57 less) than that for 1904.

The deaths from Malaria were 287 as against 301 in 1904. The figure for the annual deaths from this disease has fallen from 574 in 1901 to 287 in the year under review.

(c.) CLIMATE.

The average monthly temperature throughout the year was 71.6° F. as compared with 71.6° F. in 1904 and 72.0° F. during the ten preceding years. The maximum monthly temperature was attained in July, when it reached 87.8° F., and the minimum monthly temperature was recorded in February, when it was 51.6° F. The highest recorded temperature during the year was 91.3° F. on the 18th July, and the lowest 42.8° F. on the 10th February.

The total rainfall for the year was 70.95 inches as compared with an average of 74.94 inches during the past ten years. The wettest month was June, with 19.70 inches, the driest, November, with only 0.28 inch. The greatest amount of rain which fell on any one day was 7.955 inches on the 1st June, while no rain fell on 220 days of the year. The relative humidity of the atmosphere throughout the year was 80 per cent., as compared with an average of 77 per cent. during the past 10 years. The average daily amount of sunshine was 5.1 hours being 45 per cent. of the possible duration.

X.—POSTAL SERVICE.

The total Receipts paid into the Treasury in 1905 by the Postal Department amounted to \$574,840.87 from which sum \$160,002.68 was transferred to other heads of General Revenue under which fees and duties are paid in stamps, which are now sold exclusively by the Post Office, leaving the sum of \$414,838.19 as Revenue of the Postal Service. The total expenditure amounted to \$585,449.25, which after deducting \$414,838.19 as Revenue, leaves a deficit of \$170,611.06, due to adjustment of the amount payable by this Colony towards the cost of the P. & O. Mail Service for the period from 1st February, 1898, to 31st January, 1905.

This Colony's share of the contribution towards the P. & O. Mail Subsidy under the new contract, has been fixed at £12,529 per annum, as from the 1st February, 1905.

The arrangement concluded with Germany as regards the exchange of Postal Parcels between this Colony and the German South Sea Islands came into force on 1st June. Direct Money Orders were exchanged with Transvaal and the Federated Malay States during the year.

Postage on letters to Australia was reduced from 10 cents to 4 cents per $\frac{1}{2}$ oz. from 15th July.

The Postal Arrangement with China came into force during the year.

XI.—MILITARY FORCES AND EXPENDITURE.

(a.) REGULAR FORCES.

The following return shows the number and composition of the Forces employed in the Colony during 1905 :—

CORPS.	EUROPEANS.			INDIANS.		CHINESE.	TOTALS.
	Officers.	Warrant Officers.	N. C. O.'s & Men.	Native Officers.	W. O. N. C. O.'s & Men.	N. C. O.'s & Men.	
General Staff,	4	...	...	...	...	...	4
Garrison Staff, .....	...	2	...	...	...	...	2
Royal Garrison Artillery,	16	615	...	...	...	...	631
Hongkong-Singapore Bn. R. G. A.,	9	9	7	379	...	...	404
Royal Engineers,	11	194	...	...	...	...	205
Chinese S. M. M. Co., R. E., .....	...	...	...	...	69	...	69
119th Infantry,	7	...	11	646	...	...	664
129th (D.C.O.) Baluchis,	8	...	11	535	...	...	554
Army Service Corps,	4	27	...	...	...	...	31
Royal Army Medical Corps,	9	43	...	...	...	...	52
A. O. Department and Corps,	7	31	...	...	...	...	38
A. P. Department and Corps,	3	8	...	...	...	...	11
110th Mahratta L. I.,	4	...	5	282	...	...	291
93rd Burma Infantry,	4	...	5	276	...	...	285
114th Mahrattas,	1	...	2	102	...	...	105
2nd Royal West Kent Regiment,	11	441	...	...	...	...	452
Totals,	98	1,370	41	2,220	69	...	3,798

(b.) COLONIAL CONTRIBUTION.

The Colony contributed \$1,362,650.27 (being the statutory contribution of 20 per cent. of the Estimated revenue including arrears on account of 1904) towards the cost of the maintenance of the Regular Forces in the Colony and Barrack Service.

(c.) VOLUNTEER CORPS.

The total establishment of the Corps is 431 of all ranks. The strength on the 31st December, 1905, was 276, made up as follows:—Staff, 7; two Garrison Artillery Companies, 205; one Engineer Company, 35; Troop 29.

The members of the Corps are now all armed with the new M.L.E. Short rifle and the latest pattern equipment.

The period for the annual Camp of Instruction was extended from 10 days to 16, it was held in October, 1905, and was very well attended.

The Hongkong Volunteer Reserve Association numbered two hundred and thirteen members at the close of the year, an increase of 113 members, as compared with 1904.

Members of this Association, who must be over 35 years of age, are required to make themselves proficient in rifle shooting, and undertake to enrol themselves under the Volunteer Ordinance in the event of hostilities.

The expenditure on the Volunteers, which is entirely borne by the Colony, was \$58,311.12.

XII.—GENERAL OBSERVATIONS.

The war between Russia and Japan continued during the first half of the year to affect disadvantageously the trade of the Colony and to be productive of incidents involving important questions of law. Early in January a breach of a Colonial Ordinance required the forfeiture of a cargo of ammunition destined for a belligerent but carried by a British steamer that had put into the port for coal. The position of one of the belligerent fleets from the middle of April to the middle of May within three days' steam of Hongkong necessitated stringent measures being taken to prevent any use of the port not in accordance with British neutrality laws and in several instances the severe penalties involved by the despatch of any ship with reasonable cause to believe that the same would be employed on the naval service of a foreign state at war with a friendly state had to be brought to the special notice of shipping agents. The departure northwards of that fleet relieved anxiety in this matter but was followed by the capture, on the grounds of carrying contraband of war, of two British ships—the *Oldhamia* in the Bashee Channel on May 18th and the *St. Kilda* a few hours out of Hongkong on June 4th. The latter capture was the last incident of the naval operations which directly affected Hongkong though it was not till nearly three months later that the armistice protocol was signed on September 1st. The opportunity was taken of the first visit to the port after the conclusion of peace of a Russian war vessel—the *Almaz*—to embark on her on November 30th for repatriation the 2 officers and 53 men of the former Russian torpedo boat destroyer *Burni* who had arrived in the Colony from Wei-Hai-Wei on the 22nd August, 1904. 2 officers and 8 men who had formed part of the same crew had previously been sent to Europe on grounds of ill-health.

One result of the disappearance of Russian naval power from Far Eastern waters was the immediate withdrawal of all the battleships from the British fleet on the China Station and a reduction in the number of cruisers. The lessening of imperial expenditure in the Colony resulting from these changes has necessarily been disadvantageous to its trade.

This was more seriously affected by the organized attempt of the Chinese in the last half of the year to boycott American goods as a protest against the administration of the United States law excluding Chinese labourers from that country. The attempt to extend the organization of the movement to this Colony was not supported by the principal Chinese merchants here, but its strength in Canton adversely affected the business in American goods which passes through Hongkong and further tended to the development of anti-foreign feeling and consequent unrest in that part of China with which Hongkong does most trade. Advantage was taken of the visit in September of Mr. WILLIAM H. TAFT, United States Secretary for War, to give that gentleman an opportunity of hearing the views of some of the leading Chinese of the Colony as to the Chinese objections to the provisions and administration of the exclusion law.

Uncertainty of exchange is always a factor adverse to trade and the year under review was not exceptional in this respect, the range of variation being slightly greater than in 1904. The year started with the dollar at 1s. 11 $\frac{9}{16}$ d. It fell to 1s. 10 $\frac{1}{8}$ d. at the end of March, rose irregularly to 2s. 1 $\frac{3}{8}$ d. at the end of November and stood at 2s. 0 $\frac{1}{8}$ d. in the last days of December. The maximum of the year was the highest value that had been attained since early in 1897.

Probably the most important factor in making the year a bad one for trade was the loss of confidence in Hongkong Chinese dealers owing to the speculation of 1904 which had the natural result of making it difficult for these dealers to get money with which to carry on their business in 1905. As regards imports, trade was particularly slack in fancy cotton and woollen goods and metals while but a limited business was done in Manchester piecegoods. Yarns did fairly well, especially for importers. Australian flour entered into serious competition with American of which the importation fell off largely; American kerosine also suffered from the boycott. As regards exports, trade in silk was adversely affected by various causes and in other articles, especially ginger and soy, compared unfavourably with that of preceding years.

In spite of indifferent trade several local stocks stood higher at the end than at the commencement of the year. Hongkong and Shanghai Banking Corporation shares advanced \$150 against an advance of \$50 in 1904. Local shipping companies retrograded. Marine insurance shares generally improved. Of the local land and building companies the share of one operating at Kowloon slightly appreciated; the others declined and the decision of holders of marine lots on the East Praya not to undertake for the present the reclamation of the sea bed in front of their properties was probably a wise one. The Dock companies di-

not do well and the increase of dock accommodation in the Far East promises severer competition in the future. As regards other industrial undertakings, though there was no heavy fall, only in a few unimportant instances was there any advance on the value of shares at the end of the preceding year.

The maintenance of existing and the creation of new industrial undertakings are becoming a matter of very great importance to the Colony, threatened as it is by serious competition from other places in some of its principal sources of wealth in the past. A satisfactory feature of the year was therefore the initiation of arrangements to start one such new enterprise in the New Territories; a flour mill on a large scale is in course of construction at a favourable site in Junk Bay and is to be combined with an extensive farm for the rearing of pigs on the refuse material. Serious attempts to prospect for metals in those Territories were also put in hand during the year. If these prove the existence of minerals in quantities that will pay for their extraction the future development of the Territories will be greatly assisted.

Various projects that have been mooted for the construction of railways to ports on the mainland of South China have maintained and enhanced the desire of Hongkong to have as soon as possible a trunk line through that country with a terminus in the Colony.

An opportunity occurred during the year of getting rid of the foreign control of the projected railway from Canton to Hankow on which no progress was being made and which it was feared would under such control neither advance British or Chinese interests or the interests of Hongkong. On the 6th October with the approval of H.M.'s Government and under sanction of an Imperial decree the Government of Hongkong lent and the Viceroy of the Hu Kuang Provinces borrowed a sum of £1,100,000, repayable in 10 annual instalments. The security for the loan was the opium revenue of Hupei, Hunan and Kwangtung and the interest on it $4\frac{1}{2}$ % payable half-yearly. The money was advanced to Hongkong by the Crown Agents at Bank rate—then 4 %—and on being paid over to the Chinese Ambassador at Washington was at once utilized to redeem the Canton-Hankow railway concession from the various persons who had acquired interests in it from the original concessionaires. With the object of raising a loan to repay the Crown Agents' advance and at the same time to provide funds for the British section of the Canton-Kowloon railway and to meet other railway needs that might arise an Ordinance (No. 11 of 1905) was passed on the 16th October to empower the Governor to raise as occasion required loans not exceeding two million pounds in all. No loan was however raised before the end of the year.

Throughout the year attempts were being made in conjunction with H. M.'s Minister at Peking to get the Chinese authorities and particularly the Viceroy of the Liang Kuang Provinces to negotiate arrangements for the construction and subsequent working of the Chinese section of the proposed Canton-Kowloon railway on the basis of Loan and Joint Working arrangements which had been drafted by the British and Chinese Corporation in consultation with the Colonial Office in London. These attempts had not succeeded at the close of the year.

In the meantime, however, the Hongkong Government with the approval of the Legislative Council, expressed at a meeting on the 21st September, decided that the British section of the line should be put in hand without waiting for the conclusion of the negotiations with regard to the Chinese section. By that date a preliminary survey and estimate of alternative routes had been completed by Mr. J. C. BRUCE, an engineer who had been sent from England for the purpose and had arrived in the Colony on the 16th June, and a route $21\frac{1}{2}$ miles in length, which passed through the Kowloon hills by a low level tunnel 2,460 yards long, along the west shore of Tide Cove and South shore of Tolo Harbour and by the villages of Tai Po, Ha Wai, Fan Ling and Sheung Shui to the Sham Chün River near the Lo Fu ferry, had been selected as the most economical both as regards construction and working expenses and as best answering the requirements of a section of a trunk line through China.

Pending the completion of the final survey it was decided to commence throwing up the bank as soon as the centre line was located along the part of the line, $7\frac{1}{2}$ miles in length, which traverses the low-lying ground north of Tai Po. The negotiations and clerical work involved in the resumption of the large number of small padi fields required before construction could be started was expeditiously carried out by Mr. C. CLEMENT, the Assistant Land Officer, and the first sod was turned on December 9th. The decision to use labour supplied by the elders of the surrounding villages for the earthwork was found, as had been anticipated, to obviate local difficulties arising from removal of graves, "feng shui" prejudices,

The introduction of a new rent roll to take the place of the rough one on which rents had previously been collected in the New Territories and at the same time of a new scale of rents produced several petitions from the village elders and some hesitancy to pay rents due. Regulations for the collection of Crown rents in arrear in the New Territories made in September and re-enacted with slight modifications at the end of November enabled these difficulties to be got over and the payment of considerable sums for work on the railway bank doubtless assisted in getting in arrears shortly after the end of the year. Fears entertained at one time that the second crop of rice would suffer from want of rain were fortunately not realised and the New Territories remained prosperous and on the whole quiet throughout the year.

In conclusion I would refer to a few changes in personnel that occurred in the Colony in 1905. The Right Reverend Bishop DOMENICO POZZONI succeeded the late lamented Bishop PIAZZOLI as head of the Roman Catholic Church and was consecrated on the 1st October. Commodore H. P. WILLIAMS took over the charge of the naval dock-yard from Rear-Admiral C. G. DICKEN on 29th September, 1905. Sir PAUL CHATER, Kt., C.M.G., resigned his appointment on the Legislative Council after serving on it for Eighteen years and has been succeeded by Mr. H. E. POLLOCK, K.C., as representative of the ratepayers. In the Colonial Service Mr. (now) Sir FRANCIS PIGGOTT, formerly Procureur General in Mauritius, arrived on the 23rd May to succeed Sir WILLIAM MEIGH GOODMAN as Chief Justice, and since the 2nd August Mr. T. SERCOMBE SMITH has ably acted in the appointment of Colonial Secretary temporarily vacated by Mr. F. H. MAY, C.M.G., who proceeded on leave on that date.

I have the honour to be,

My Lord,

Your Lordship's most obedient, humble Servant,

M. NATHAN.