Hogg, Gower, Laurie, Nye, Howe, Smith, Michie, Dallas, Cunningham, Webb, Hancock, Whittall, Probst, Page, P. Loureiro, Carter, Gamwell, Turner, R. Miller, Jarvie, Shearer, Wardell, Wright, Reid, Wheelock, Kahn, Rev. J. Hobson, Dr. Sibbald, and others not renters.

W. H. Medhurst, Esq., H.M. Consul, as Senior Consul present, took the Chair:—

The Chairman begged leave to open the Meeting with a few prefatory remarks as to its object. The Meeting was properly an annual one, and should have been convened long since, but circumstances had combined to make this impossible until this moment. Now that it had been called there was much and important business to be done. First, they would have to transact the usual annual business, such as passing of accounts, election of new officers, &c. With reference to the latter it would be proposed to increase the number of Councilmen, the work having become too onerous for three men, even were they all "Tates" in indefatigable attention to duty. Secondly, the Meeting would have brought before it the report of the Defence Committee. Thirdly, they would have to discuss the question of drainage. The foul and filthy condition of the back settlement had become a notorious nuisance. It was the talk of the place, it had been taken up by the press, and it had even become the subject of pulpit fulmination. The Chairman did not however agree with the worthy Chaplain and others who declaimed against the nuisance, in ascribing the fault entirely to the Chinese. They were a foul race as regards their habits, it was true; but they had not obstructed the drainage. The Chairman remembered the day a few years ago when all the land now covered by the Settlement was efficiently drained by large tidal ditches. These ditches had been successively filled up by purchasers of land without reference to their utility, and without providing any substitute, by which means the drainage had been gradually done away with. This had been more especially the case in the western part of the Settlement. The fault was therefore with the Renters, not with the Chinese, and it was but fair that the Renters should repair it. If they did not do so it was clear that they must take the consequences, which in the approaching summer might be frightful. The fourth matter to be submitted would be the question of lighting. A proposition on this head was in the hands of a gentleman present and would be read to the Meeting. Next would come the proposition for the incorporation of the Hongkew or American side in the limits of the Municipal system. That suburb was every day gaining in importance as a portion of this Settlement, and it was essential that the order and security prevalent on this side should be extended to that. Of course the annexation might increase the expenses of this Municipality, for the settlement on that side would not be able perhaps to pay its own expenses. But this would be only fair, seeing that the disorderly characters which congregated there were the refuse of our population, and would not find those precincts a refuge but for the strict police system exercised within these limits. A proposition in favor of the annexation would at any rate be presented to them. The only other business would be the reading of the minutes of the last Meeting, which the Chairman would proceed with at once.

The minutes of the Annual Meeting held 2nd February, 1861, were then read.

Mr. W. G. Howell proposed that the minutes just read be adopted.

Mr. Whitlow seconded the motion.

Passed unanimously.

Mr. Tate read the Report of the Council for 1861—as follows:

REPORT.

The Municipal Council for 1861 have the pleasure of submitting to the Land Renters their report for the past year.

Roads.—When this Council took office in February 1861, the general state of the Roads of the Settlement was decidedly bad, from causes which were very fully set before you in the Report of the previous Council. To remedy this, therefore, was one of the first duties to which the present Council addressed themselves, and the work done has been as follows:—

All the roads in the Settlement, including the Bund, have been re-metalled, and the majority of them served with a coating of shingle in addition. Side-walks have been laid down in Park Lane from the Bund to the Maloo; in the Maloo on both sides as far as the Race Course; in Rope Walk Road from the Bund to Barrier Road, and in a portion of North Gate Street. The Maloo has been considerably raised and two surface drains have been made through its entire length. The Road opened by the Council of 1860, leading across the Maloo, has been carried through to the Soochow Creek after much difficulty. A new Road has also been opened recently, at the head of the Maloo, being a continuation of the Shakloo, and 30 feet wide. This new road is carried through to the Soochow Creek and serves as the second line of defence of the Settlement (see Report of Defence Committee). Through the centre of this road a main drain has been cut at the request of the Special Committee for Defences and Improvements.

The line of road in continuation of Fives Court Lane, has been extended westward up to the new Shakloo Road. Boundary stones have been laid down (with the sanction of the landowners) marking the line of road in continuation of Rope Walk Road to the Race Course. The old Chinese graveyard near Bowman's lot having been levelled and built upon, the ditch near it has been filled up and the road raised. Kirk's Avenue has also been carried through to the Louza, the road made and metalled.

The Council have reason to expect that an ample supply of shingle will shortly be contracted for, to be brought in boats from the beach outside Woosung. The Secretary has this contract in a forward state. The heavy expenditure incurred for broken brick and other unsatisfactory material will thus, it is hoped, be curtailed.

Jetties.—Two new jetties have been constructed on the Bund. They are built of Singapore beams, paved with granite slabs and furnished with posts and ring-bolts. The jetty opposite Messrs. Fogg & Co.'s is undergoing repair. A portion of the Bund on the Yang-kin-pang has been rebuilt, and tenders are invited for the completion of the work.

Sampan Licenses.—Your Council have organized a system of licensing the sampans plying for hire at the jetties, and 276 boats are now registered and numbered. The scheme cannot yet be considered complete, but in a short time it is believed the whole will be rendered effective and prove a salutary check on an unruly portion of the native population of the Settlement.

Taxes.—Your Council have pleasure in pointing out a very large increase in the amount of Chinese taxes for the past year; the Council of 1860 estimated the probable amount of Chinese House and Land Taxes for the year 1861 at Tls. 12,000, being a large advance on previous years. But so great has been the influx of Chinese and the consequent increase of house accommodation, that no less than Tls. 27,500 have been collected, and it is very certain that this amount will be far exceeded during the year 1862. Your Council would here mention that the exertions of their Secretary have in no small degree contributed to this result. Constable Eldridge has been active and diligent as Collector of these Taxes; and it has been deemed advisable to relieve him of all Police duty, so that his whole time is now devoted to this important branch of Municipal business.

With regard to the "Foreign House and Land Tax," the Council regret to say no effectual measures have been organized to make out the new assessment so much needed. A competent person, who should visit and re-assess each building in the Settlement, has been sought for, but as yet without success. It is believed that the present assessment does not include more than *one half* of the property liable to taxation; while of the houses and buildings now taxed, there are very few, if any, the rental of which should not be largely increased. The attention of the Land Renters is particularly directed to this matter.

Police.—The following Report has been presented by the Inspector:—

Police Report for the Year 1861.

On the Council taking office at the beginning of this year the Police Force was very much under its establishment; but was from time to time recruited by men from the regiments at Hongkong, which enabled the Board to remove men that had repeatedly misconducted themselves. In the month of June, the Force was up to its full strength and in the most efficient order, in which state it remained for three months, when a great demand for foreigners by the Chinese became apparent, from the fact of men that had hitherto been contented with their situations and very well conducted, committing themselves in order that they might obtain their dismissal to take service with the Chinese, for the exorbitant wages that were said to be given.

The Council during the past year provided iron stretchers for the men from Hongkong, and a Library was also opened. A canteen was established in which the men could obtain the best beer and porter at cost price, which, with the skittle alley that was provided by funds presented by Rowland Hamilton, Esq. (the Chairman of Council in 1860), proved a great source of amusement to the men, and kept them very much in barracks during the last warm season.

In October of the past year a Detachment Station was formed at the Lowza, and a Sub-Inspector, 3 Sergeants, and 16 men were organised, and posted in the Chinese Quarter, which brought the strength of the Force up to one Inspector, one Sub-Inspector, 6 Sergeants, and 44 Constables. In February of the present year a second Detachment was formed at Hong-kew, and one Sub-Inspector, 2 Sergeants, and 12 Constables were at once organised, and placed in temporary barracks, which has had a very salutary effect upon the hitherto unruly native population resident upon that side. This augmentation increased the Force to 1 Inspector, 2 Sub-Inspectors, 8 Sergeants, and 56 Constables.

The general conduct of the men during the past year has been very good.

Wm. RAMSBOTTOM,
Inspector of Police.

Shanghai, 27th March, 1862.

With respect to the establishment of the Police Force on the Hong-kew side, your Council have not committed this Municipality to its continuance; the Force also is paid for by the residents and land-owners on the Hong-kew side. But it is much to be desired that the so-called American Settlement (which is really under the jurisdiction of no one but the Taou-tai) should be placed under the same Municipal government as that existing on this side.

An application for increased pay has been made by the men of the Police Force, who state that owing to the recent very serious increase in the price of provisions they are not able to live comfortably and save anything from their pay. After due consideration an increase of Tls. 5 per month to men of all ranks is recommended.

An application for increased pay has also been received from Inspector Ramsbottom, based on the grounds that the formation and control of two additional stations, one of them outside of the present Municipal limits, has largely added to the work and responsibilities of his office. When Inspector Ramsbottom was appointed to the Force, his charge numbered less than 30 men, all in one barrack; but at present the Force at its full establishment is 67 men of all ranks in three barracks, and very shortly the number will be increased to 80 men. Under these altered circumstances, and also taking into consideration the very efficient and satisfactory manner in which the Inspector has discharged his duties, the Council recommend an increase to the present pay of £100 per annum.

Arrests.—The return of prisoners for the year is laid on the table. The arrests amount to 1,852 against 845 last year.

Licensing.—Active measures were taken by your Council in the early part of the year to carry out the scheme for licensing the native shopkeepers and others within the Settlement; and in accordance with a resolution passed at a special General Meeting of Land Renters, the Council addressed the Hon. Mr. Bruce on the subject. By order of the Board the Secretary shortly afterwards (12th April, 1861) again addressed H.M. Minister on this important subject; *both of these communications have remained unanswered.*

Of the four Treaty Consuls, Consul Smith alone determined to await the answer of the Government at Washington on this head, although it seems clear that the Land Regulations have already received the sanction of his Government.

Wharfage Dues.—At a General Meeting of Land Renters held on the 8th April last, the Council were authorised to negotiate with the Commissioner of H.I.M. Customs with regard to the employment of a special clerk to obtain from the Custom House books a correct return of Imports and Exports, thus relieving the Community from the trouble of furnishing these returns as heretofore. The Commissioner of Customs consented to furnish these statistics from the 1st July last, but circumstances appear to have arisen which have prevented this desirable arrangement from coming into action so soon as was hoped; the community will be asked to furnish their own returns once more, say to the 31st December, 1861, since which date the Commissioner of Customs has taken charge of the work. The income from this important source will thus, it is believed, be largely increased.

The Council would bring prominently to your notice the great necessity that exists for a revised tariff of Wharfage Dues on imports and exports. The present scale of charges, formed as it was on the more circumscribed limits of our commerce of 6 or 7 years ago, is utterly inadequate to deal justly with the many articles of cheap Japanese and native produce, which are now so extensively landed and shipped at our jetties. To levy the same wharfage tax on a small bundle of seaweed worth Tls. 3 as on a bale of shirtings worth Tls. 100 is an obvious injustice.

Drainage.—On this important topic, it would have been the duty of your Council to have addressed you carefully and at some length, had there not been called into existence by recent emergencies a Special Committee for Defences and Improvements, whose peculiar attention has been given to this point. It is therefore only necessary to say here that the Report of this Special Committee on Drainage and Water Supply, which report has lately appeared in the public papers, has the cordial approval of the Council.

With regard to the sanitary condition of the Settlement, many and great difficulties have to be contended with, and it will need the greatest activity and vigilance during the ensuing few months to keep pestilence at arm's length. In Mr. Carlile, as Inspector of Roads, and Mr. Howes, as Inspector of Nuisances, your Council trust they have secured valuable and active servants. It is recommended that several large public latrines should be at once built at suitable points in the Chinese quarter; the influential native inhabitants have expressed to the Council their willingness to assist in their formation by subscriptions if necessary.

Lighting.—On this head also, nothing need here be reported, as a scheme for lighting the Settlement with gas is to be laid before you to-day by a Committee especially organised for that purpose.

At a special meeting of Land Renters held on the 6th June last, a resolution was agreed to, requesting all Consuls, other than those having Treaty obligations with China, to obtain from their respective Governments such a special authorization of the existing Land Regulations here, as should establish their legality beyond question. To these applications, letters in the affirmative have been received from Mr. Heinsen, Consul for Hamburgh, and Mr. Kroes, Vice-Consul for the Netherlands.

New Names for Streets.—H. B. M. Consul has kindly placed at the service of the Council an excellent scheme for the uniform and simple renaming of the streets of the Settlement. Such names to be conspicuously placed in Chinese and English characters at the street corner.

Increase in the number of Members of the Council.—The duties which devolve on Members of this Council have of late increased so rapidly as to make the burthen unreasonably heavy when it falls on one or two persons only. Your Council think that the public service would be better attended to if the number of Members elected to seats at the Board were increased from three to five.

Secretary.—The Council have much pleasure in referring to the Secretary's labors during the past year in terms of entire approval. In positions frequently of considerable difficulty and with a pressure of work on the office unknown in previous years, Mr Pickwoad has displayed much tact and ability; while, by his recent close attention to, and skilful conduct of, an important action against the Secretary of this Council in the Hongkong Supreme Court, he has brought to a favorable issue a case involving results of much moment to our Municipal constitution.

Night passes.—The restrictive measures which your Council (acting with the advice of the Defence Commitee and the consent of H. B. M.'s Consul) have thought it necessary to adopt, have been attended with great success. It is gratifying also to believe that the respectable portion of the native inhabitants fully recognize the necessity for, and value of, the pass system. The present scheme is to issue passes for a term of three months, calling all in at the end of that term and making a new distribution.

Finances.—Owing to pressure of work on the Treasurer; your Council have not been able to prepare the Balance Sheet for the past year duly audited in time for the present meeting. The sole reason for this delay is that a small error exists in the cash account which prevents the accounts balancing to a point, and for the discovery of the discrepancy the Treasurer claims a day or two's indulgence. Open sketches of account of receipts and expenditure for 1861, also of estimated receipts and expenture for 1862, are, however, laid before you, and the figures will it is believed be found highly satisfactory. The Balance after payment of all expenses to date is about Tls. 9,600. In addition to the current expenses of the year, the balance of the cost of extending the Bund, namely Tls. 2,000, has been paid off.

In the account of estimated income and expenditure for 1862, your Council have felt it safe to estimate the income from Chinese House and Land Tax at a further large advance; they do not change the figures for Foreign House and Land Tax, though a new assessment would certainly yield Tls. 4,000 *a* 5,000 more income. Altogether it will be seen that after allowing liberally for the maintenance of a very full Police Force and making due provision for the repairs of roads and jetties, &c., &c., it is estimated that the income for 1862 will exceed the expenditure by about Tls 21,000. It must be carefully remembered that no provision has been made for the drainage and water supply so greatly needed; your Council think it best to leave this matter untouched, and entirely in the hands of the Special Commitee before alluded to. They cannot, however, close this Report without again strongly urging on their fellow residents the great necessity that exist for prompt and extensive sanitary measures, and their conviction that the resources of the Municipality cannot be taxed too closely or too stringently for this purpose.

J PRIESTLEY TATE,
Chairman and Treasurer.

Shanghai, 31st March, 1862.

Mr. E. Webb proposed that the Report of Municipal Council for the year 1861 be adopted, and the accounts passed.

Mr. E. Cunningham seconded the motion.

Passed unanimously.

Mr. Trautmann begged leave before the election of the new Council, the next business in the list, to propose:

"That before choosing gentlemen for the Municipal Council for the coming year it be resolved that none but *bonâ fide* foreign Renters of Land shall be able to become members of the Municipal Council."

Mr. Baker begged leave to second the motion, which was carried unanimously.

The Chairman premised with regard to the new Council that five names of gentlemen willing to serve had been put in his hands by the present Council, viz.: Messrs. Cock, Michie, Brand, Nye, and Turner, and if these were acceptable they might be considered in the Ballot.

Mr. Nye objected. He had already served before.

Mr. Grew's name was thereupon suggested in the place of Mr. Nye's.

The new Council was then balloted for, and the votes appeared as follows:—

Mr. Michie,	48	votes.
„ Cock,	47	„
„ Turner,	41	„
„ Brand,	41	„
„ Grew,	31	„
„ Cunningham,	10	„
„ Nye,	10	„
„ Hanbury,	5	„
„ J. Hogg,	3	„
„ J. Thorne,	2	„
„ W. G. Howell,	1	„
„ Probst,	1	„
„ Carter,	1	„
„ Page,	1	„
„ Gwyther,	1	„

The first five gentlemen were declared duly elected as Members of the Municipal Council for 1862.

The Rev. J. Hobson proposed that a vote of thanks be given to the retiring Council, and more especially to Mr. Tate.

Mr. Reid seconded the motion.

Carried unanimously.

Mr. Cunningham then read the report of the Committee for Defences and Improvements, as follows:—

REPORT UPON THE DEFENCES.

The Commitee make their report as concise as possible, believing that brevity will be as agreeable to the community as it is convenient to themselves.

Finances.—On this head alone explanations at some length are necessary.

The sanguine expectations entertained of the readiness of the wealthy Chinese to contribute liberally for the fund, proved delusive, for though every exertion was made, and that without loss of time, no unanimity of action could be induced among them, and the result promised to be that the burden would fall upon a few of the most public-spirited, unless some system of distribution could be devised.

So large a sum exacted from three or four individuals would have been unjust even if possible, and the Committee approved of the suggestion that time should be allowed to mature and carry out a plan of collection that would best reach those most benefitted.

The plan adopted by the Chinese assembled in Consoo, was to obtain from all houses rented by Chinese two months rent, one half of which was from the landlord, one half from the renter. By this means they reached the owners of real estate, who, besides being generally wealthy, are, with the house renters, the most immediately benefitted by protection.

The real estate owners, both Chinese and foreign, with a few exceptions, agreed to the proposition and the collection has commenced. It is placed under the supervision of the Council and H. M.'s Consul, in order that no advantage may be taken by the collectors to levy other dues, real or pretended, under cover of this. An ill advised attempt of the Chinese to obtain the aid of the Taoutai's authority, an assistance not at all required, was immediately detected by the vigilance of a foreign renter largely interested in real estate, and the contribution is carefully made voluntary.

The Chinese directors of the collection confidently assure the Committee that the amount will not be less than Tls. 55,000 to Tls. 60,000, which statement is confirmed by the books of the Council. These show that one month's total Chinese rents amount to between 30,000 and 40,000 Tls., which allows sufficient margin for those who lack the means or the willingness to contribute.

The amount, when collected, will be handed in, as received, to the gentlemen appointed by this meeting. As yet no portion has been paid. The Committee have expended Tls. 25,000, of which Tls. 20,000 have been furnished by a few public-spirited Chinese as an advance in anticipation of the collection.

The actual expenses will be about 44,000 to 45,000 taels, and there will therefore remain some 10,000 Taels, which if placed at interest in a public loan giving 10 per cent interest, would produce sufficient yearly revenue to keep the works in order.

Attached is an account of expenditure and outstanding contingencies.

Works of defence.—The street barricades have been built as originally proposed, there being eleven in all, of Singapore wood, and four of China wood, which are to give place to others when the neighbouring buildings are improved. There still remains to be done some work upon these lines for which provision is made in the estimate for contingencies.

The Shakloo has been opened through to Soochow Creek, by the energetic assistance of H. M.'s Consular officers. A work in every respect of great public importance and absolutely necessary in any system of drainage. The outer line of defence has been completed under the able direction of Colonel Moody and his officers. The redoubts are nearly finished and will be mounted with 32 lb. naval guns, for the use of which the community are indebted to the kindness and earnest interest in the protection of the place, of Rear-Admiral Sir James Hope.

The towers and blockhouses first suggested proved unnecessary and were discarded.

The tide gate near the Soochow Creek is still to be constructed, also a picket house at that end of the line, and a powder hulk to be purchased; for all of which allowance is made in the estimates.

The claims for compensation for damage upon this line, have all been satisfactory and reasonably adjusted with the renters concerned.

Those upon the Shakloo line mostly remain open; but if that street becomes the important thoroughfare expected, a profit may be ultimately realized upon the land taken.

Hongkew defences.—The Committee accepted the direction of the defence affairs of that portion of the Settlement at the request of the residents. They have confined their proceedings to the establishment of a police force under the direction of the Municipal Council, but at the expense of the local residents and renters, and the opening of a wide military road, running from Wili's Bridge into the country, turning at right angles in order to cross the bridge on the Kongwau road, and then passing down the whole length of the settlement at the distance of 500 yards from the river. This road was opened at the suggestion, and will be mainly carried out by the enterprise and energy of Mr. Hanbury, under an arrangement with the authorities which will save that community nearly the whole expense.

The Committee strongly recommend the incorporation of that quarter into the general municipal system.

Preservation of the defences.—The Committee recommend that the completion of the works be intrusted to the hands of two persons appointed by this meeting, with power to place the care of the works and the funds in the hands of the Municipal Council as soon as the former are finished. That the Council be requested to take charge and keep them in order, applying the income from the fund so far as it will go, and providing any further expenditure from the public revenue.

The Committee think it unnecessary to make a separate report upon lighting the Settlement.

They feel themselves quite incompetent to form an opinion upon details; but, on general principles, would recommend the Community to place the matter in the hands of the private Company lately formed, only conditioning that the pipes shall be laid under the supervision and authority of the Council, that their plan shall embrace the whole Settlement, and that their works shall be located when they will not be a nuisance to the Settlement.

Shanghai, 20th March, 1862.

E. Cunningham.
James Hogg.
J Priestley Tate. } *Committee.*
J. Whittall.
Edward Webb.

Account of expenditure upon the defences to March 31st with memo. of outstanding contingencies:—

	Dollars.	*Taels*
Excavating the Creek	1,519.86	13,368.66
Forming defences on outer line	390.21	1,472.60
Work on bridge and abutments		279.00
Opening the Shakloo	465.25	
Claims paid on Shakloo line		700.00
Paid on account Barrier Road and Shakloo lines barricades	4,760.20	
20 Watch boxes	440.00	
Guard house at Soochow Creek	200.00	
Coolies for gates, uniforms, &c.,	263.85	— 5,664.05
Repairs and Sundries for Bleak House	223.00	406.90
Advertising		1.50
Deposit at the Oriental Bank on account of four 32 lb. guns, loaned for the use of the community		1,549.15
	$2,598.32	Tls. 23,441.86
$2,598.32 at 80 cts.		2,078.40
Amount paid out		Tls. 25,520.26

Outstanding Contingencies.

Balance due on account of bridge	1,000.00	
On account of parapet	683.00	
On account of inner lines	1,850.00	
Estimated cost of tidal gate	1,050.00	
Do. do. picket house	500 00	
Do. do. powder hulk	1,500.00	
Do. do. of new gates on the two inner lines	1,000.00	
Painting barricades &c., &c.	400.00	
Estimated amount of claims on the outer line	12,000.00	
	19,983.00	
Deduct estimated proceeds of mud sold	800 00	
		19,200.00
Total expenditure, actual and estimated		Tls. 45,000.00

Mr. E. M. Smith objected to that portion of the report which referred to the mode of reimbursing the Committee for the money they had expended. He stated that, at the request of the Chairman of the Committee, the interpreter of the Municipal Council and a policeman had been placed at the disposal of the Chinese who had guaranteed the requisite amount of money to pay for works of defence, &c., and that these men had induced the Taoutai to issue a proclamation calling upon all Chinese renters of houses in the Settlement to pay them no less a sum than *two months' rental*, and stating that if they failed to do so they would be severely punished. Mr. Smith went on to say that as two months' rental of houses occupied by Chinese exceeded three hundred thousand taels, and as the sum required by the Defence Committee amounted to about sixty thousand taels, he was of opinion that these men were devising plans for a gigantic squeeze. He remarked that the confiding way in which the Chairman had placed the matter in the hands of these Chinese afforded every facility for extortion, for no check was held by the Municipal Council to control them; and the Secretary of the Municipal Council