

24TH JULY, 1913.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, SIR F. H. MAY,
K.C.M.G.

H.E. MAJOR-GENERAL C. A. ANDERSON, C.B.

HON. MR. A. M. THOMSON (Colonial Secretary).

HON. MR. J. A. S. BUCKNILL (Attorney-
General).

HON. MR. A. G. M. FLETCHER (Colonial
Treasurer).

HON. MR. W. CHATHAM, C.M.G. (Director of
Public Works).

HON. MR. E. R. HALLIFAX (Registrar-General).

HON. MR. C. McI. MESSER (Captain
Superintendent of Police).

HON. SIR KAI HO KAI, M.B., C.M.G.

HON. MR. WEI YUK.

HON. MR. E. A. HEWETT, C.M.G.

HON. MR. C. MONTAGUE EDE.

MR. D. LANDALE.

HON. MR. E. SHELLIM.

MR. C. CLEMENTI (Clerk of Councils).

Minutes

The minutes of the previous meeting were confirmed.

Financial Minutes

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table Financial Minute No. 45, and moved that it be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and the motion was agreed to.

Financial

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the report of the Finance Committee (No. 9), and moved its adoption.

THE COLONIAL TREASURER seconded, and

the motion was agreed to.

Opium from Macao

THE HON. COLONIAL SECRETARY moved the following resolution:—

Whereas by the provisions of Section 3 of the Opium Ordinance, 1909, as amended by Section 2 of the Opium Amendment Ordinance, 1911, it was provided *inter alia* as follows:—

No person shall import, or aid or abet the importation of any Raw Opium into the Colony or into the waters thereof, if such importation shall have been notified in the *Government Gazette* in pursuance of any Resolution of the Legislative Council as being illegal.

And whereas by a Resolution dated the 31st August, 1911, and made by the Legislative Council in pursuance of the provisions of Section 3 of the Opium Ordinance, 1909, as amended by Section 2 of the Opium Amendment Ordinance, 1911, it was *inter alia* resolved that a Notification should be made in the next issue of the *Government Gazette* that the importation of any kind of Raw Indian Opium, except Opium covered by Export Permits from the Government of India to the effect that such Opium had been declared for shipment to or consumption in China should be illegal:

And whereas the said Notification was duly published in the *Government Gazette* of the 1st September, 1911, under Government Notification No. 259:

And whereas it is desirable to amend the same in certain respects:

Now it is hereby resolved that a Notification shall be made in the next issue of the *Government Gazette* that the above recited Resolution and Notification shall not apply to the transshipment in Hongkong of Raw Indian Opium exported and coming from India and consigned to Macao for the use of the Macao Opium Farmer within the limits and conditions indicated in the Agreement between His Majesty's Government and the Government of the Portuguese Republic dated at London, 17th April, 1913.

THE HON. COLONIAL SECRETARY said:—The terms of the agreement cannot be published at present, but they include the limitations of quantities of raw opium to be imported by the Macao Farmer, which were published in connection with the recent lease of the farm.

THE ATTORNEY-GENERAL seconded, and the resolution was carried.

Explosive Substances Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance to amend the law relating to Explosive Substances."

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

The object of this Bill is to strengthen the power of the Law in dealing with persons who cause explosions likely to endanger life or to cause damage to property; as also with those persons who attempt such dastardly outrages. The Bill further enables the Law to cope with persons who manufacture or possess explosives with evil intent or with no lawful excuse and under sinister circumstances.

Legal Practitioners Amendment Ordinance

THE ATTORNEY-GENERAL moved the second reading of the Bill entitled, "An Ordinance to amend the Legal Practitioners Ordinance, 1871." In doing so he said—This Bill, Sir, is a Bill of small detail, and amends in various small respects the Legal Practitioners Ordinance of 1871. The principal point on which the Bill really hinges is that it recognises for the first time, definitely, the existence of the Hongkong Law Society, which, I need not tell hon. members, is the incorporated body which locally represents the solicitors. They are a large body, and this Society is an important Society. Under the provisions of the Bill the Society is recognised in various ways, but principally in this way: that when any applicant for admission to practise in the Colony is coming forward, amongst the notices which he has to give will be a notice in future to the Hongkong Law Society, so that if it is desired, or thought that any opportunity should be taken of objecting, for any good reason, to his admission, the Hongkong Law Society will be in a position to do so. They are the proper people to object to the admission of a person into their profession, and no doubt it is desirable that they should have some legal status. The other parts of the Bill which are not definitely connected with the

Hongkong Law Society are directed towards what I may call the educational side. Under certain sections it is proposed to alter slightly the arrangements under which a candidate can now be admitted as a solicitor or admitted to take up articles of association. Under section 2 of the Bill the recognition of the Hongkong Law Society is effected. Under section 3—this is what I call the educational section—under the old Ordinance it was not laid down what sort of exemption might be allowed in the event of its being thought fit that a candidate might be exempted from the preliminary examination in taking up articles of clerkship; and here it is laid down now that the Chief Justice may make an order dispensing with the preliminary examination under section 3 of the principal Ordinance provided he is satisfied that the person has passed such examination as would in England be sufficient to exempt him from passing the preliminary examination of the Incorporated Law Society. Also, hon. members will see that, very properly, exemption is granted to anyone who is a graduate of the Hongkong University. Under section 4 there is a slight alteration to the existing Ordinance. The present arrangement is that there shall be three examiners who examine candidates for final admission as a solicitor. And I may here say that the examination for a solicitor is one of the hardest examinations in the world, and the only provision in the present law is that the Attorney-General shall be one of the examiners. It is not a very easy task, I can assure you, gentlemen. It is now proposed to add that, in addition to the Attorney-General one of the examiners shall be a practising solicitor in the Colony. So far as I know it has always been the case that a solicitor has been appointed as one of the examiners, but now it is made compulsory. Section 5 deals with the notice to be given to the secretary of the Law Society when a person is desirous of entering for examination. Section 6 is rather important, and I must preface the few remarks I propose to make by explaining that the present position is that if a

person has been admitted in Great Britain as a solicitor, or, as it is called in Scotland, a writer, a proctor, or an attorney as it is sometimes called, he must in order to practise here produce first of all his certificate of admission by the place where he is entitled to practise, and, secondly, a certificate of identity. This new section adds two other requirements which are necessary in a converse case supposing a person who is entitled to practise here as a solicitor wished to practise in England. These two further requirements are, firstly, a certificate that he is still on the roll of solicitors; and, secondly, a certificate that he is a person of good character. Then, Sir, the last section of the Bill gives the Hongkong Law Society a right to be heard before the Court and a status before the Court in the event of an application by a candidate for exemption from any formalities. Lastly, I may perhaps mention, unless there should be any misunderstanding, that nothing in this Ordinance affects barristers at all. It only affects solicitors.

THE COLONIAL SECRETARY seconded, and the Bill was read a second time.

Council then went into Committee to consider the Bill clause by clause.

On resuming,

THE ATTORNEY-GENERAL reported that the Bill had passed through Committee with slight amendments, and moved that it be read a third time.

THE COLONIAL SECRETARY seconded, and the Bill was read a third time and passed.

Wireless Telegraph Ordinance

THE ATTORNEY-GENERAL moved the second reading of a Bill entitled, "An Ordinance to provide for the regulation of Wireless Telegraphy." In doing so he said—It is very difficult, Sir, to invest any formal Bill with any interest, and this really is a formal Bill, although the subject itself is extremely fascinating and interesting. The Bill is introduced on a model which was sent out here by the Secretary of State, and which I understand has already been passed in the Straits Settlements. The Bill repeals the three enactments which contain our present law on the subject, and re-enacts the contents of those three Ordinances in a modified form. Section 2 contains the only intelligible definition of a telegraph which I have ever seen. I think this definition is a very good one. I hasten to add that it is not mine. Then, Sir, the expression "wireless telegraphy" is also defined, and if I may say so, it is a

masterpiece of drafting. If one was asked to define what "wireless" actually was, he would be hard set to put it in language. Under section 3 the Government is authorised to licence establishments for wireless telegraphy, either on board ships registered in the Colony, or in the Colony itself. Under section 4 nobody can establish such installations without such a licence. Under section 5 is the penalty, and a right given to a magistrate to make a search in case it is suspected there is any apparatus concealed or being used in any place which is not licensed. Section 6 is important. It gives power to the Governor-in-Council to make regulations dealing with forms in which applications for licences shall be made, and the fees and a right given to a magistrate to make to be charged; and under sub-section (I.) paragraph (iii.) it gives power to the Governor-in-Council to make regulations for regulating the manner in which apparatus for wireless telegraphy on board merchant ships in the Colony—whether British or foreign—shall be used, the idea being that the utilisation of this wireless telegraphy in the waters of the Colony shall not interfere with naval communications, or with regular wireless communications which will soon be spreading from the island and radiating to all points of the compass. Paragraph (iv.) is a technical and interesting clause. It deals with the prohibition of wireless telegraphy on vessels which are actually in the harbour; and I gather it is thought that when they are actually in the harbour, the use of wireless telegraphy on ships might seriously affect the proper working of the apparatus on shore and the naval apparatus. Then under paragraph (v.) power is given to make regulations for prohibiting entirely the use of wireless telegraphy in case of any grave emergency in which it is thought necessary that His Majesty's Government should take over and control the whole of the wireless working in the Colony: presumably, this would be on occasions of serious political disturbance, or during war. Then, under sub-section (2), all these

regulations are not to interfere with signals of distress, of which one hears so much in connection with marine disasters. Under section 7 power is given to grant special licences for experimental purposes. Section 8 is the penalty clause, and section 9 repeals all the present Ordinances.

THE COLONIAL SECRETARY seconded, and the motion was agreed to.

Council then went into Committee to consider the Bill clause by clause.

On clause 3,

HON. MR. LANDALE said—Apparently power is only given to authorise the installation of wireless on ships registered in the Colony. Is there not power to authorise installation on ships registered elsewhere?

THE ATTORNEY-GENERAL—With regard to that, I take it that it is inserted very specifically in that form because ships which are registered elsewhere will have to receive their licences from their port of registry. That is the only explanation that I can give for this restriction, which is very noticeable. For instance, a ship registered in Great Britain will receive her licence in Great Britain.

HIS EXCELLENCY—This section only refers to ships registered in this Colony. Other ships have got their licences from their port of registry.

HON. MR. LANDALE—There are a very large number of ships registered elsewhere trading on the coast.

HIS EXCELLENCY—As a matter of fact we have issued a large number of licences, and have just found out that we had no business to issue them. They should all get their licences from their port of registry.

THE ATTORNEY-GENERAL—I understand this Bill is or will be somewhat in the same form throughout the British dominions, so, Sir, it is an Imperial scheme.

On Council resuming,

THE ATTORNEY-GENERAL reported that the Bill had passed through Committee without amendment, and moved that it be read a third time.

THE COLONIAL SECRETARY seconded, and

the Bill was read a third time and passed.

Registrar-General's (Change of Name) Ordinance

THE ATTORNEY-GENERAL moved the second reading of the Bill entitled, "An Ordinance to give effect to the change in the name and style of the office heretofore known as that of the Registrar-General." In doing so he said—I need not, really, I think make many remarks on this Bill. The principal duties of this official are connected, of course, with Chinese affairs, and the only reason I can imagine why he was called Registrar-General was because he was registrar of marriages and of births and deaths, but obviously his title would be much better and more appropriate if it was "Secretary for Chinese Affairs," and it is proposed to effect that by means of this Ordinance.

THE COLONIAL SECRETARY seconded, and the Bill was read a second time.

Council then went into Committee to consider the Bill clause by clause.

On resuming,

THE ATTORNEY-GENERAL reported that the Bill had passed through Committee without amendment, and moved that it be read a third time.

THE COLONIAL SECRETARY seconded, and the Bill was read a third time and passed.

Education Ordinance

THE ATTORNEY-GENERAL—In view of the fact that certain amendments are in contemplation regarding this Ordinance, I propose to defer it until next meeting.

The Companies' Ordinance

THE ATTORNEY-GENERAL moved that Council go into Committee on the Bill entitled, "An Ordinance to amend the Companies Ordinance, 1911."

THE COLONIAL SECRETARY seconded, and the motion was agreed to.

On clause 16, sub-section (c),

THE ATTORNEY-GENERAL said—I understand there has been considerable opposition to this sub-section, and that it is desired that it should be omitted.

HON. MR. HEWETT—In regard to what the hon. Attorney-General says, this question has been before the committee of the Chamber of Commerce, and they have gone into it very fully. The committee thought it should stand. There has been a certain amount of opposition, it is true, but we consider the clause as it is should stand.

HIS EXCELLENCY—I have seen the letter of the Chamber of Commerce, but there are two or three points which occur to me. The first is that this clause is not the law of England; the law of England does not prevent a shareholder from being an auditor. The second point is that this clause was not among the original changes suggested by the Chamber of Commerce. Then the fact came to light that according to the Articles of Association of many Chinese companies the auditor had to be a shareholder. Again, there was no possibility of knowing whether an auditor was a shareholder or not as he could put his share in another name, and no one could find out whether he was or was not a shareholder. On the whole, it was thought best to leave the clause out.

HON. SIR KAI HO KAI—Besides, the list of auditors will be published by the Registrar, and if any auditors are known to have indifferent reputations, they can be excluded by the Registrar of Companies.

HON. MR. HEWETT — The point is this: a shareholder naturally must be prejudiced in favour of his company, and we do not consider it makes for good auditing if the auditors (or auditor, if only one) should be shareholders. Therefore, we think that one, if there are two auditors, should not be a shareholder. You cannot put auditing in Hongkong and auditing in England on the same footing. At Home there are large firms making auditing their business. Here, naturally, auditing is very limited. The Chamber of Commerce considered this question very closely, and the objection raised, and I understand the proposal to cut out this clause was only passed by a narrow majority at a surprise meeting of, I think, what is called the Auditors' Association. It was a snatch vote, and some of the auditors here are opposed to it.

HIS EXCELLENCY—It might be argued, surely, that the very best auditor you could get would be a shareholder.

HON. MR. HEWETT—Then there is the other side. We have some companies here which have suffered very severely from that fact.

HIS EXCELLENCY — The whole of this Companies Ordinance is simply based on the English Companies Act, and I don't think we can do much better in a question of doubt than follow the lead given us in England.

HON. MR. HEWETT—It is not a case where we can reasonably follow Home legislation.

HON. MR. EDE—If this becomes law, how will it affect companies who demand that an auditor shall be a shareholder? Will the articles have to be altered?

HIS EXCELLENCY — That is one of the difficulties we are confronted with.

MR. EDE—I think it ought to be left out.

On being put to the vote, the majority decided that the sub-section should be deleted.

Council then resumed.

THE ATTORNEY-GENERAL moved that the Bill be read a third time.

THE COLONIAL SECRETARY seconded, and the Bill was read a third time and passed.

HIS EXCELLENCY—Council stands adjourned until this day week.

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FINANCE COMMITTEE.
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A meeting of the Finance Committee was then held, the COLONIAL SECRETARY presiding. The following vote was passed:—

Buildings

The Governor recommended the Council to vote a sum of \$2,000 in aid of the vote Public Works, Extraordinary, Hongkong, Buildings, Sanitary Inspectors' Office—Western District.