

6TH SEPTEMBER, 1923.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, SIR REGINALD EDWARD STUBBS, K.C.M.G.

HIS EXCELLENCY THE OFFICER IN COMMAND OF THE TROOPS, MAJOR-GENERAL SIR JOHN FOWLER, K.C.M.G., C.B., D.S.O.

HON. MR. A. G. M. FLETCHER, C.M.G. C.B.E. (Colonial Secretary).

HON. MR. J. H. KEMP, K.C., C.B.E. (Attorney-General).

HON. MR. C. McI. MESSER, O.B.E. (Colonial Treasurer).

HON. MR. E. R. HALLIFAX, C.B.E. (Secretary for Chinese Affairs.)

HON. MR. E. A. IRVING (Director of Education).

HON. MR. H. T. CREASY (Director of Public Works).

HON. MR. H. E. POLLOCK, K.C.

HON. MR. P. H. HOLYOAK.

HON. MR. R. H. KOTEWALL.

HON. MR. CHAU SIU-KI.

HON. MR. A. O. LANG.

HON. MR. A. R. LOWE.

MR. S. B. B. MCELDERRY (Clerk of Councils).

Minutes

The minutes of the last meeting were approved and signed.

Sympathy with Japan

On the Council assembling,

H.E. THE GOVERNOR said—I would ask leave of the Council to bring forward two motions of which it has not been possible to give notice. The motions relate to the terrible

disaster which has occurred in Japan. The first motion runs as follows:

"That this Council desires to express, in the name of the people of Hongkong, its heartfelt sympathy with the Japanese nation in the terrible disaster which has befallen the country."

I think on such an occasion the fewer words the better.

HON. MR. H. E. POLLOCK, K.C.—Sir, on behalf of the Unofficial members of this Council I desire to associate ourselves entirely with what has fallen from your Excellency.

HON. MR. P. H. HOLYOAK—Sir, on behalf of the Chamber of Commerce I desire to entirely associate the whole commercial community with the words which have fallen from your Excellency's lips.

HON. MR. R. H. KOTEWALL—Sir, my Chinese colleague and I respectfully beg to associate ourselves in the name of the Chinese community with the motion which has just been proposed by your Excellency.

The motion was carried.

Donation of \$250,000 Voted

HIS EXCELLENCY—The second motion I wish to propose naturally follows from the previous one. The expression of sympathy is something, but more than sympathy is needed in cases of this kind. The Japanese people need all the help their neighbours and friends can give them and the Council will agree with me that this is an occasion on which this Colony should not be backward in showing its sympathy in a practical form. The help which we give should be given as quickly as possible and that is why I have not given any notice of this motion

which I ask the Council to treat as a matter of urgency. I move:

"That the Council approves the grant of the sum of a quarter of a million dollars for the relief of distress in Japan."

I would propose that the money be placed at the disposal of the Relief Committee of the Chamber of Commerce, which is in close touch with the Japanese Consul General and members of the Japanese Community here and will be able to make arrangements for its being spent to the best advantage. I understand that the opinion of the Japanese Consul is that supplies rather than money should be sent from the Colony.

HON. MR. H. E. POLLOCK, K.C.—Sir, on behalf of the Unofficial Members of this Council, whom I have had an opportunity of consulting on this matter, I desire to say that we heartily support the vote which has been proposed by Your Excellency and that we consider this is only due as a mark of the sympathy and goodwill of this Colony toward the Japanese nation.

The vote was unanimously approved.

Finance

THE COLONIAL SECRETARY, by command of H.E. The Governor, laid upon the table Financial Minutes Nos. 71 to 72 and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded and the motion was agreed to.

THE COLONIAL SECRETARY, by command of H.E. The Governor, also laid on the table the report of the Finance Committee (No. 7) and moved that it be adopted.

The motion having been seconded by the Colonial Treasurer, was agreed to.

The Liquors Ordinance and Chits

HON. MR. H. E. POLLOCK, K.C.—Sir, I beg to move the following resolution which stands in my name:—

"That in the opinion of the members of this Council, it is desirable that section 3 of the Liquors Ordinance, 1917, should be repealed."

This section, Sir, as I think is well known to hon. members, provides that, except in the case of persons who are residing in an hotel, it is necessary that cash shall be paid down in respect of any liquor which is not served in conjunction with a *bona-fide* meal for which a charge of not less than 30 cents can be reasonably made. When this measure was passed in this Council in the year 1917 it was opposed by some of the Unofficial Members, including myself. The first speaker in opposition was Mr. Stanley Dodwell, who pointed out very clearly that there was no necessity for such a measure; that, as a matter of fact, for some years past the sobriety of the men in this Colony had been steadily increasing, and I may add that a similar remark may be applied to the interval which has elapsed between the passing of the Ordinance in 1917 and the present day. When this measure, Sir, was brought forward I had a difficulty—and the same difficulty I experience to-day—in seeing what possible good and useful object such a measure could be expected to serve. At that meeting the Attorney-General did not bring forward any reasons for the passing of this particular clause of the Liquors Ordinance, but left it to the hon. Colonial Secretary, Sir Claud Severn, to expound the reasons. On that occasion that hon. member produced a bag of chits for a sum of about three thousand dollars for drinks which had been served at a wayside hotel—the North Point Hotel, which has since been re-christened the Ming Yuan Gardens. The Colonial Secretary, as part of his argument, suggested that, in view of this huge bag of chits, it would be an excellent thing to have this measure, which would bring comfort and happiness to every manager and hotel proprietor. It was, however, opposed at that time by the Hongkong Hotel and the King Edward Hotel, showing that they did not take the same view of the matter as was taken by the Colonial Secretary. Another point which, I think, was made was that some young man had got into difficulties in paying his drink chits and had to have his passage paid home. Well, Sir, with regard to that point, it seems to me almost ludicrous that, because one or two young men have given way to drink and got into difficulties, a considerable inconvenience should be inflicted upon all persons frequenting

large establishments like the two hotels I have mentioned. It is like using a sledge hammer to break a walnut. In fact, Sir, His Excellency the late Governor expressly disclaimed that there was any idea of passing such a section to stop drinking. I will quote his words: "The object of the Bill is not to stop drinking. The Colonial Secretary never said a word about that." Now, Sir, if the object of this section was in no shape or form to stop drinking, one really fails to see what object it had. It certainly has not succeeded in pleasing the hotels—certainly not the Hongkong Hotel. On the contrary, Sir, they consider it is a grave inconvenience to their business.

It is very difficult to see exactly how closely we are to interpret the phrase used in subsection 25, section 3, of the 1917 Ordinance that liquor is to be consumed in conjunction with a *bona=fide* meal. Literally, it might mean that a man would have to swallow his drink with his mouth full. One does not know to what extent such a phrase may be carried. At all events, supposing a man who is a non-resident in the hotel is taking his friends to the theatre and giving a dinner in the hotel before the theatre, and that he wants to give them a cocktail before dinner. The dinner is, of course, to follow the cocktail, but apparently, to take a strict interpretation of this particular subsection, the host would have to produce cash to pay for these drinks. I believe that is what is done as far as possible, but, I believe it is not possible to fully carry it out in the hotel. Take another instance. The meal being finished the parties perhaps get a little tired of the dining-room and decide to go into the lounge and have their coffee, and if brandy is ordered to go with the coffee then, again, this question of cash payment comes in. Or, shifting the scene to the Repulse Bay Hotel, what is to happen there? People go out there to dance. Very often they dine there before they dance, or,—as I have done myself—you dance with your dinner, or, in the words of the Ordinance, "in conjunction with" your dinner. If you want to give your guests an after dinner drink you have to start again with this cash business. This clause is particularly inconvenient when hotel proprietors have to deal with a native staff, and is, perhaps, also inconvenient when they have to deal with rather peppery customers who do not see why they should be compelled to produce coin as a certificate of

good faith.

One has heard, Sir, a suggestion made that juniors in firms are allowed large credit, or too large credit, in the hotels. That point will be dealt with by my hon. friend Mr. Holyoak, who will second this motion, and I think he will say that there is a considerable restriction placed upon clerks in firms not only for drinks but in respect to expenditure generally in the hotel. As I suggested at the time this Ordinance was introduced, Sir, it seems to me, that this legislation is practically useless. I do not honestly see that it could have any real effect. It seems to me an attempt, and a somewhat petty attempt, to interfere with the internal management of the hotels in this Colony. I said just now it is absolutely ludicrous to suppose that, if a young man unfortunately takes to drink, this clause in the Ordinance will save him, for, apart from the hotel, you have places like clubs, and other places to which I need not more particularly refer, where men can get drinks by means of chits. It would be absurd to suggest that this clause in the Ordinance has had any appreciable effect on obtaining drink.

Now, to look at the matter from another angle, I do submit, Sir, having regard to what I have said, that it is an absurdity to bring in this measure. As regards preventing hotels from suing for drinks, that is covered already by the Act of George II. known under the euphonious name of the "Tippling Act." But here, Sir, we have legislation passed to make this failing to ensure cash down for drinks served to non-residents in the hotel a criminal offence punishable with a fine of \$250—a criminal offence both for the hotel-keeper and the person who signs the chit. Surely, our Police in this Colony have plenty to do going about the Colony preventing or detecting serious crime instead of having to spend their time lounging about hotels trying to find gentlemen who sign chits for drinks though they are not resident in the hotel, with a view to instituting prosecutions. There is a wave of serious crime in the Colony, and it is clear that

our Police, with the various duties they have to attend to, have quite enough to do. It is also clear, I submit, Sir, that no sufficient reason has been given for interfering in this way with the internal management of the hotels as to whether they shall or shall not accept chits from some man whom the manager may consider a perfectly solvent and reliable member of the community. I think, Sir, I have said quite enough to show that this section should be repealed, and my hon. friend the member for the Chamber of Commerce will be able, no doubt, to bring forward further reasons which I have not given. I beg to move the resolution standing in my name.

HON. MR. P. H. HOLYOAK—Your Excellency,—It is fitting that I should first declare, in discussing the repeal of this section of the Ordinance, that I am interested to the extent that I am at present a Director of the Hongkong Hotel Syndicate; but I trust that my reputation upon this honourable Council and in the public service in this Colony will acquit me of any desire to influence the Council in my arguments, in favour of the Hotel. And, indeed, I have a particularly clear conscience in connection with this matter, because I have, from the very first, been consistently opposed to this Ordinance. In the year 1917 the late Governor, His Excellency Sir Henry May, approached me, as the then Chairman of the Hongkong Club, to support not only the passing of such an Ordinance as this, but also an enactment that would close the Club bar during that certain hours of the day. Well, Sir, with due deference, at that time, I submitted that there was no necessity for it; that there was no case made out whatever. Indeed, as Chairman of the Club at that time I knew that the money which was being spent at the bar was an extremely small sum, compared with the normal expenditure, and there was no justification for the arguments then presented. However, in deference to His Excellency's wishes, the matter was put before the Hongkong Club Committee and unanimously turned down at that time. Later this Ordinance was laid before the Council. I regret that at that time I happened to be absent through ill-health in Japan, and was unable to oppose it as vigorously as I would have done had I been present, mainly and principally upon the grounds that it was an unnecessary interference,

—unjustifiable and unnecessary—with the liberty of the subject in this Colony, but I was ably represented by the honourable member who was then acting for me, the Hon. Mr. Stanley Dodwell, who made a strong speech against the proposed enactment. We were distinctly told by His Excellency the Governor at that time that the object of the Bill was not to stop drinking, and, failing that, there was no justification whatever for passing the law. It was essentially, if there was any justification for it, a war measure. It was part of the D.O.R.A. Act at Home. It was born of a desire, perhaps a sentimental desire, to share in the sacrifices all shared in at Home, and, through the sacrifices, perhaps contribute more largely to war charities which existed in this Colony, and to national needs. But honourable members of the Council and your Excellency, through having perused the records of this Colony since you arrived, will agree, I think, that in no part of the Empire were war charities more substantially and generously supported than in this Colony, and that in no part of the world, so far as the British Empire goes, and certainly not here, could an accusation of excessive drinking be made. There was no justification at all for passing the Ordinance. If it was a war measure there is the more reason for repealing it at the present moment, because the justification for it, if there was any, no longer obtains. It was distinctly unfair in its results, because it discriminated between the man in the street and the man in the Club. The very people against whom, I understand, the Ordinance was mainly levelled were able immediately to transfer their support, if they wished to do so, to any one of the many clubs, and obtain whatever credit they wished. Therefore, I submit that to the man in the street it was grossly unfair and a piece of discriminatory legislation, and I submit further that it was impracticable in its operation and is to-day. It is an absurdity that in a Colony like this to-day you should be able to dine in comfort in one room and that, either because the room is hot, or *for other reasons*, you desire to have a cup of coffee in the lounge in the immediate vicinity *and sign a chit for a liqueur* you pass from being an honest law-abiding citizen to that of a

law-breaking citizen, with criminal responsibilities both to the Hotel and yourself. I submit that that ought not to be. The charge has more than once been levelled at the Hotel—I am speaking as a Director and am answering the charge—that the Hotel system has unwisely encouraged expenditure on the part of the junior. Now, Sir, I wish to categorically state that not only has the Hotel not suffered as a matter of actual revenue from the enactment of this Ordinance, and therefore from that point of view it is unnecessary to repeal it, but, further than that, it positively and absolutely refuses to give credit of more than \$25 to any junior of any accredited firm in this place. Therefore, I do not think it can be justly accused in these circumstances of encouraging undue credit and therefore encouraging undue expenditure of money. I submit that as it at present stands it is impossible to carry out the law without placing the guest of any hotel in this Colony in jeopardy of unconsciously breaking this Ordinance, and the Hotel licence also for accepting a chit. It is a reasonable thing that any hotel in the place should be authorised to accept a chit which is really a carry over from a dinner chit, and there should be no breaking of the law in consequence of that. For this reason I second the motion of my honourable friend, the Senior Unofficial Member, and I feel that your Excellency in regard to this legislation will not go so far as to use the Official majority. I suggest that if your Excellency is unable to accept the whole of this resolution, you will, at any rate, consider the possibility of amending the Ordinance so that it covers the points I have raised and refers only to the public bars of hotels, which will make the practice more workable. It is, as I think your Excellency will admit, the sincere desire of the hotel I happen to be a Director of, to fulfil the law; and I think they have proved it, but I know that, under the present law, it is almost impossible to do so.

THE COLONIAL SECRETARY—As late as an hour ago, Sir, I had not the intention of speaking on this motion. I do so with some diffidence and with no overwhelming conviction. But I have had considerable experience of the working of the chit system and perhaps I am in a position to sound a word of warning as to the possible results. I have been

looking up the report of the Council, at which I was present, when Mr. Shewan said: "I cannot compare myself with the Hon. Mr. Dodwell and the Hon. Mr. Pollock in most things, but of one thing I know as much as they do, and that is the question of drinking in bars." I do not claim that advantage over the honourable member who has moved this motion, but I do claim to have had a wide experience with this chit system. My first introduction to it was in my undergraduate days in Oxford when I proffered 2s. 3d. for a tin of Craven tobacco and was met with the request that I should put my money back in my pocket and have it put down in the book. That was when I was eighteen years old. I thought it was most generous of him to let me put it down. I let him put down more items, with the result that, later on, I found I had very heavy bills, which I could not possibly have met if I had tried to pay each as I went along. Later when I came to this Colony, I had further experience. We were all very impecunious in those days and by the 15th of the month many of us had not any cash at all. We then proceeded to look round for some favoured friend who had \$10 to lend and some, I am afraid, went to the firm's comradore, with the result that one or two men went out. They were unable to meet their debts and had to leave the Colony. This was undoubtedly due to the chit system generally, the signing of credit for anything and everything, and it seems to me that unless some good ground can be put forward as to why this Ordinance is bad, there is not sufficient reason for interfering with it. The Hotels apparently are the protagonists in asking for its repeal. Why? Why should they object to receiving cash? If you go to the Trocadero or the Ritz in London do they ask you to sign chits for your drinks, or do they here, when a traveller offers to pay his bill, say "Please send the cheque from your next port of call."? Why should they object in this case? One argument put forward was the difficulty in connection with the "boys." That is got over in other parts of the world and what can be done in other hotels can be done in Hongkong. The mere fact that it is urged that this cash payment should not be compulsory points to the conclusion that the sale of drink must be larger under the credit than under the cash system, and so, Sir, as I understand, you are giving members of the Council permission to vote as they

wish on this question, I, as a matter of personal opinion, propose to vote against it.

H.E. THE GOVERNOR said—The matter, as the hon. mover of the motion has said, is one of internal management of the hotel and its clients and I consider that it is one in which two opinions are possible. I think that we do not wish to go beyond the general view of the community, and I, therefore, ask every member of the Council to vote in accordance with his own proper judgment in the matter. But I should like to detain the Council for a few minutes by expressing my personal views of what the proper judgment in such a case should be. I am not sure that if we were starting with a clear field I should have proposed putting such a clause into the law; but the clause is there. It certainly has done no harm. I have listened with open ears and an open mind to hear any shadow of reason put forward for repealing it. My eye falls on the remark of Mr. Shewan:—

"I was merely trying to point out that the arguments of Mr. Dodwell and Mr. Pollock are very bad indeed and require the support of two solicitors in this Colony to help them out."

Substituting Mr. Holyoak for Mr. Dodwell, who was representing him at the moment, I take leave to subscribe to the sentiments of Mr. Shewan. We have not heard a semblance of real argument. You talk about inconvenience. What is the inconvenience in carrying about a certain number of notes or a certain amount of coin in your pocket! We all have to do it in England, and it is much more inconvenient to do it there because the coins are larger. Mr. Pollock painted a terrible picture of a gentleman who is giving a party previous to going to a theatre and finds himself a criminal because he has wandered from the dining room to the lounge and desires to drink brandy with his coffee. I suggest to the hon. member that there is an alternative, of course, besides staying in the dining room or becoming a criminal, and that is that he can take his brandy in the lounge and pay for it there. We do exactly the same in England. I don't know of any hotel in any other part of the world, except perhaps in Shanghai, which would ordinarily accept chits in payment from persons who are not resident in the hotel. I confess I have signed chits myself—in Eastern

hotels—but that was because I had forgotten to bring my money with me. The argument that persons who are prevented from drinking in hotels will drink more than is good for them in the Clubs is not a sound one. Mr. Shewan again says:—

"The argument that a person will leave hotels and go to clubs for drink is all nonsense. The men who frequent the bars of hotels are not the men who belong to the clubs at all."

If that is so the persons who are affected are not the members of clubs, and even if the theory was a correct one, which Mr. Shewan says he thinks it is not, I think a club may be trusted to see that its members do not habitually imbibe more than is good for them. I question, with all respect to the Directors of the Hotel Company, whether the Hotel has quite the same interest in this matter as a club, and I cannot avoid feeling that the reason why the Hotel is anxious for the repeal of this Ordinance is because they think that people will drink more if they can sign chits than if they have to pay cash. Personally I am absolutely certain it is the case. I confess I should like to see the chit system abolished altogether. I should like to say that I agree with Sir Henry May that the policy is altogether thoroughly bad. As Hon. Members are aware I am not a teetotaler, and do not wish to persuade others to be, but I do not hesitate to say that I think the average man drinks a great deal more than he really needs, and he would certainly drink less if he had on each occasion when he was standing drinks at the club or bar to produce cash. My own feeling is that I always feel somewhat reluctant to take a drink when I see that the man has to produce the money for it out of his pocket, but, on the other hand, if I see a person signing for it, it leaves me cold. Even to hear the favourite American phrase "May I buy you a drink?" puts it at once on a cold cash basis, which makes one inclined to say "No." On the other hand where you go into a club, call the "boy" to take orders and sign a chit, there is no such feeling of modesty.

I started life in the East rather later than Mr. Fletcher and I cannot say that I was ever in the unfortunate financial position he referred to, b u t I h a v e h a d

a good deal to do with young men in the public service and mercantile community and I have seen many a good man go wrong because of the chit system. I think that even if a man is not spending or drinking too much it is extremely unsatisfactory that he should be in the habit of running up bills without knowing what his position should be. It is important for him to know more or less how he stands, and I think the general extension of credit for anything is bad, and more especially is it bad in the case of drink. The Hon. Mr. Holyoak informs us that the Hongkong Hotel rigidly restricts its credit in the case of the younger members of firms here, but he does not, I think, conceive that that does not help his argument. If it is interference with the liberty of the subject to ask a taipan to pay cash for his liqueur after dinner is it not equally interference with the liberty of the subject to restrict the employee's credit to \$25? And what happens when the employee has reached the limit of his credit? He either goes without drink or has to pay for it. If he pays cash for it, why cannot he pay cash all along instead of previously running up a debt? I have glanced through the solicitors' letters which appear in *Hansard* in 1917 to find good reasons for the hotels' objection to the taking of cash. All I can find is some suggestion that it is difficult to control their servants. "We would point out that not only will our clients' revenue considerably decrease but their expenses will be much greater owing to the necessity—first of having to pay higher salaries to all servants employed in the Hotel, who under the provisions of the proposed Bill would be in the position of receiving cash payments, and, secondly, of having to obtain guarantees as to the integrity of such servants." Well, gentlemen, we are used to seeing many *ex parte* statements made in lawyers' letters, but I confess I have seldom seen a document which contained such an absolutely *idiotic* statement as that. Are the Chinese, I may ask, a less honest race than any other in the world? The servants take cash already and all the law requires is that they should take a little more cash.

Then there is another point. I have been advancing this argument on moral grounds, but there is the financial argument. If the practice of the signing of chits is encouraged, your drinks will cost you more or the prices

will not be reduced as they should. It is perfectly obvious that when drinks are signed for largely and widely, up to the figure of \$25 by juniors and up to any figure by other people, there must be a fairly considerable amount of bad debts. Do you suppose, gentlemen, the Hongkong Hotel bears those bad debts? It does not. You and I, the people who pay cash, or cash their chits, pay for it in higher prices. Even if there are not bad debts the Hotel is out of its money for an appreciable length of time—a month at least—and there is loss of interest on the money which has to be made up. How is it made up? It is made up from our pockets. Both economically and morally, the system is unsound, and I trust, gentlemen, to carry you with me.

HON. MR. POLLOCK—I have a right to reply, but I would ask your Excellency to allow the Hon. Mr. Holyoak to reply instead.

H.E. THE GOVERNOR—Certainly.

HON. MR. HOLYOAK—The main point of my argument, Sir, was referred to in the first argument I advanced, that this Ordinance is unjust in the sense that it distinctly penalises one section of the community against the rest. I am entirely with you that if the chit system as a whole could be abolished it would be a good thing for the Colony, but to legislate for one particular section of the community and not for another is distinctly unjust. Nothing that has been said or may be said can controvert that. The argument you used, Sir, as to the large profit on drinks, would be equally true, and is true, of any club in the Colony. The credit system has existed as long as the Colony has existed, and it will not be abolished by any piece of legislation such as this. You cannot make men moral either by law or the enactment of Hongkong Ordinances, neither will you make them give up signing chits. The Chinese shops offer a much larger credit than can be obtained in hotels. It is mainly on the ground that it is a discrimination between the man in the street and the members of clubs that, even if I were not a member of the Board of Directors, I would protest against this piece of discriminating legislation. It does
d i s c r i m i n a t e b e t w e e n

the man who can go into an hotel and can obtain credit if the hotel company will give it to him and the man who wanders into an adjacent club and can sign for drinks to any amount until the club says his credit is exhausted and can no longer be allowed.

HON. MR. A. R. LOWE—Sir, before the vote is taken I wish to explain that I happen to be a Director of the Hongkong Hotel.

H.E. THE GOVERNOR—I quite understand.

On a show of hands His Excellency said "I think the 'Noes' have it."

This being challenged a vote was taken with the following result:

For the Motion: Hon. Mr. Lowe, Hon. Mr. Lang, Hon. Mr. Chau Siu Ki, Hon. Mr. Kotewall, Hon. Mr. Holyoak, and Hon. Mr. Pollock—6 votes.

Against: The Director of Public Works, the Director of Education, the Secretary for Chinese Affairs, the Colonial Treasurer, the Attorney-General and the Colonial Secretary—7 votes.

The motion was therefore defeated.

H.E. THE GOVERNOR—I should like if I may, to take this opportunity to say that if the Hon. Mr. Holyoak will make any suggestions which will remove the inconveniences of which the Hotel complains while at the same time not opening the door too wide to the extension of the chit system I shall be very happy to discuss the matter with him.

HON. MR. HOLYOAK—I am quite sure Sir, the Hotel has no desire to evade the law, and it asks for the support of the Council in its attempts not to do so.

HON. MR. LOWE—Sir, may I, under rule 32, give notice of my intention to lay upon the table a statement of the grounds of my dissent from the opinions of the majority at the next Council meeting?

H.E. THE GOVERNOR—Will you, if possible, supply it to the Clerk of Councils before the next Council meeting?

War Memorial Nursing Home

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, An Ordinance to provide for the incorporation of the Trustees of the War Memorial Nursing Home. He said: It is a formal Bill intended to incorporate the trustees of the proposed War Memorial Nursing Home in order to enable them to hold immovable property in perpetual succession. The Bill follows the usual form of the Incorporation Ordinances. It is not proposed to regulate in any way the internal affairs of the corporation, but to leave that to the discretion of the trustees for the time being. There is one limitation on the power of the trustees to alter the constitution, inserted with the consent of the present trustees. It is that so long as the trustees of the Granville Sharp estate contribute to the Nursing Home the trustees of the Estate shall be members of the corporation. I beg to move the first reading.

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

Fraudulent Transfers of Businesses

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, An Ordinance to prevent certain fraudulent transfers of business. He said: This Bill, Sir, is explained fairly fully in the "Objects and Reasons" and I don't think I need cover the ground again in exactly the same way. I think it may be of some assistance to the understanding of this Bill if I approach the matter from another point of view. The Bill contemplates the giving of a certain notice. That notice is given by advertisement in the *Gazette* and in two Chinese newspapers, and the notice is not deemed to be complete until the expiration of one month from the publication of these advertisements. The transfers as affected by the Bill may be divided into four classes. In the first class, the notices are given at least one month before the actual transfer. In that case no liability at all attaches to the transferee under the Ordinance. In the second class of case, the notice is given less than one month before the transfer. In the third class of case, the notice is given after the actual transfer. In both those cases the transferee becomes liable for the obligation of the transferor and that obligation continues until the

expiration of one month from the publication of the notice. If during that period proceedings are commenced against the transferee to enforce payment of the transferor's liability, the obligation of the transferee remains until those legal proceedings are terminated. In the fourth class of case the notice is not given at all. In that case I take it the obligation of the transferee continues until it is determined in accordance with the Statutes of Limitations. There is one point in which the Bill has been altered from its form as originally drafted and submitted by the Chambers of Commerce, and that is in sub-clause (4) of clause 3. The original draft of the Bill made the *Gazette* conclusive evidence against both the transferor and the transferee of the statements contained in the notice. That appeared to the Government to be too drastic and the clause merely provides that the notice should be *prima facie* evidence. As I said in the "Objects and Reasons," Sir, this Bill is in the nature of an experiment. It is an attempt to meet a particular fraud, which has increased very much in recent years, and one may express the hope that the legislation will not only have no harmful effects but will do some positive good.

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

The Vaccination Ordinance

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, An Ordinance to consolidate and amend the law relating to vaccination.

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

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

With reference to clause 21 of subsection 3 the HON. MR. POLLOCK said the burden should be placed upon the guardian and not on the pupil. It was obvious that some pupils were quite young. The hon. member moved the insertion of words to give effect to his suggestion.

HIS EXCELLENCY—It has just occurred to me that in some of the schools of the Colony there are pupils over the age of 21, and they are therefore not subject to the control of

guardians.

HON. MR. POLLOCK — Perhaps the Director of Education can tell us.

THE DIRECTOR OF EDUCATION—There are very few over the age of 21. The enormous majority of pupils are between the ages of 5 and 14, and it seems to me extra-ordinary legislation if they are to be haled before magistrates for failings under this ordinance and fined \$250 or sentenced to six months' imprisonment. I don't think we should pass a law which could only be reasonable so long as it is not enforced.

HIS EXCELLENCY — The clause as amended will put the onus on the guardian. I was merely thinking that there may be some pupils over the age of 21 who are liable for their own crimes. Possibly the cases are so rare that it is not worth while providing for them. (To the Director of Education): What is your experience?

THE DIRECTOR OF EDUCATION—They can only be found in one or two of the biggest schools. When there are vaccination campaigns the practice is to send round an intimation to the headmasters, and there has never been any trouble. The trouble, if any, may occur in the private vernacular schools where the children are quite small.

The amendment proposed by the HON. MR. POLLOCK was accepted, and with one or two other slight verbal amendments, the Bill passed through Committee.

On Council resuming the Bill was read a third time and passed.

The Ordinances of Hongkong

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, An Ordinance to authorise the publication of an edition of the Ordinances of the Colony to be known as "The Ordinances of Hongkong, 1844-1923," and to repeal the Statute Law (New Revised Edition) Ordinance, 1911.

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

The Bill was considered clause by clause in Committee and passed through without amendment.

On Council resuming the third reading of the Bill having been formally moved and seconded was agreed to, and the Bill passed accordingly.

The Appropriation Bill

THE COLONIAL SECRETARY—I beg to report that the Finance Committee have now approved of the Bill intituled An Ordinance to authorize the Appropriation of a Supplementary Sum of One million five hundred and eight thousand five hundred and ninety-four Dollars and seventy-eight Cents to defray the Charges of the year 1922. I move accordingly that it be read a third time.

THE COLONIAL TREASURER—I beg to second that.

The motion was agreed to and the Bill passed accordingly.

The Adjournment

HIS EXCELLENCY—The Council stand adjourned till this day week at 2.30.

FINANCE COMMITTEE

A meeting of the Finance Committee was afterwards held, the COLONIAL SECRETARY presiding.

Opium Pots

The Governor recommended the Council to vote a sum of \$6,000 in aid of the vote Imports and Exports Department, Other Charges, Opium, Packing Expenses.

THE CHAIRMAN—The vote is \$12,000 for opium pots. The trouble in South China has sent up the price very considerably and this vote is solely on that account.

Approved.

Fire Hose

The Governor recommended the Council to vote a sum of \$3,000 in aid of the vote Fire Brigade, Other Charges, Hose.

THE CHAIRMAN—The vote is \$12,000 but they have ordered rubber lined hose, which has a longer life, and exchange is less, also, than when the estimate was framed.

Approved.