

*Thursday, 15th August, 1946.*

**PRESENT: —**

HIS EXCELLENCY THE GOVERNOR (SIR MARK AITCHISON YOUNG, G.C.M.G.).

THE HONOURABLE THE OFFICER COMMANDING THE TROOPS (BRIGADIER P. L. LINDSAY).

THE COLONIAL SECRETARY (HON. MR. R. R. TODD, Acting).

THE ATTORNEY GENERAL, (HON. MR. G. E. STRICKLAND, Acting).

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. T. MEGARRY, Acting).

THE FINANCIAL SECRETARY (HON. MR. C. G. S. FOLLOWS, C.M.G., Acting).

HON. DR. P.S. SELWYN-CLARKE, C.M.G., M.C., (Director of Medical Services).

HON. MR. C. H. SANSOM, C.M.G., C.B.E., (Acting Commissioner of Police).

HON. MR. V. KENNIFF, (Director of Public Works).

HON. DR. J. P. FEHILY, O.B.E., (Acting Chairman, Urban Council).

HON. MR. D. F. LANDALE.

HON. MR. CHAU TSUN-NIN, C.B.E.

HON. MR. LEO D'ALMADA E CASTRO.

HON. MR. R. D. GILLESPIE.

HON. DR. CHAU SIK-NIN.

MR. D. R. HOLMES, M.B.E., M.C., (Deputy Clerk of Councils).

**ABSENT: —**

HON. MR. LO MAN-KAM, C.B.E.

**MINUTES.**

The Minutes of the meeting of the Council held on Thursday, August 1, 1946, were confirmed.

**PAPERS.**

The COLONIAL SECRETARY:---By Your Excellency's command, I lay upon the table certain papers, copies of which are in the hands of Honourable Members.

The Papers laid were as follows: —

Amendment made by the Governor in Council under the Post Office Ordinance, 1926, Ordinance No. 7 of 1926, to the Class A rates of postage, dated 26th July, 1946.

Order made by the Governor-in-Council under Section 8 of the Law Amendment (Transitional Provisions) Ordinance, 1946, Ordinance No. 2 of 1946, varying Schedule 1 to the said Ordinance, dated 30th July, 1946.

Emergency Regulations (Repeal of Proscriptions) Order, 1946, made by the Governor in Council under Section 2 of the Emergency Regulations Ordinance, 1922, Ordinance No. 5 of 1922, dated 31st July, 1946.

Order made by the Governor in Council under the Societies Ordinance, 1920, Ordinance No. 8 of 1920, dated 31st July, 1946.

Additions made by the Acting Director of Supplies, Trade & Industry under Defence Regulation 50 of the Defence Regulations, 1940, to the Schedule to the Price Control Order, 1946, dated 27th July, 1946.

Additions made by the Acting Director of Supplies, Trade & Industry under Defence Regulation 50 of the Defence Regulations, 1940, to the Schedule to the Price Control Order, 1946, dated 31st July, 1946.

Addition made by the Acting Director of Supplies, Trade & Industry under Defence Regulation 50 of the Defence Regulations, 1940, to the Schedule to the Prohibited Exports Order, 1946, dated 31st July, 1946.

**QUESTIONS.**

The HON. MR. R. D. GILLESPIE asked: —

In view of the Piece-Goods (Control) Order, 1946, published in the Gazette of July 2nd, under which all piece-goods

are liable to be requisitioned on arrival in the Colony, the object ostensibly being to accumulate a quantity sufficient to make an equitable distribution to all rice ration ticket-holders: will Government explain why export permits are being issued for similar materials, thus reducing the quantity available for the Government rationing scheme.

The COLONIAL SECRETARY replied: —

Export permits are issued in respect of the following two types of piece-goods only:

- (a) Piece-goods manufactured in China
- (b) Piece-goods manufactured in Hong Kong from imported Chinese yarn.

Both categories are relatively expensive in relation to the market for these types of piece-goods in Hong Kong, and the local market is saturated at the prices at which these goods can be supplied. It is not possible to reduce these prices as they depend on the price of piece-goods and yarn in China, nor is it possible to produce in Hong Kong, with the yarn available, goods for which the demand might be greater.

The result of a complete prohibition of export would be the cessation of the entrepot trade in Chinese textiles and the closing down of Hong Kong's textile factories. In spite of the severe shortage of textiles it is, therefore, considered wiser to continue to permit export.

The HON. MR. R. D. GILLESPIE asked: —

(a) Will Government give the reasons for the delay in the registration, under Proclamation No. 27, of China Companies many of whom made applications for such registration in April; and is Government aware of the embarrassment which may be caused to such companies, or of the difficulties which they may encounter, by the failure to provide them with a proper status.

(b) Would Government state what action is being, or has been taken, to permit the registration in Hong Kong of China Companies who availed themselves of the powers given under the Defence (China Companies Temporary Transfer of Registered Office) Regulation 1941, and the Colonial Companies (Transfer) Order in Council 1942 and Regulation 5 of the Defence (Companies) Regulation 1940 and who therefore are excluded from registration under the specific provisions of Article 4 of Proclamation No. 27.

The COLONIAL SECRETARY replied: —

(a) Since the publication on 11th March, 1946, of Proclamation No. 27—Emergency Registration of China Companies—Government has been in correspondence with the Secretary of State, H. M. Ambassador in Nanking and various British consular representatives in China on the complicated issues involved with a view to the replacement of the Proclamation by legislation of a more permanent and comprehensive nature. During the same period the new Company Law of the National Government of China has been materially modified and the date of its enforcement has been postponed from time to time.

Although it is understood that the present position is that no time limit has been set by the Chinese Authorities for the registration of foreign companies in China, Government is aware that in order to avoid embarrassment and difficulties to the companies concerned such registration should be facilitated as early as possible. It has accordingly been decided that registration of China Companies as Hong Kong China Companies should proceed under the existing Proclamation and 66 such companies were in fact registered by the Registrar of Companies on 9th August, 1946. It is anticipated that the registration of a further 93 companies will be completed in the very near future.

(b) Article 4 of Proclamation 27 excluded the China Companies defined in that Article from the operation of the Proclamation because no provision for the registration in Hong Kong of such companies was made by the China Order in Council, 1943.

Nevertheless at an early date it was appreciated that provision might have to be made in the laws of the Colony to enable such excluded companies to register here and on the 9th of April last guidance was sought from the Secretary of State and also from the Registrar of Companies in England. No final reply has yet been received to these enquiries but draft legislation has been prepared here in the meantime and is now being referred to the Secretary of State.

### **MOTIONS.**

The FINANCIAL SECRETARY moved: —

Resolved pursuant to the proviso to section 3 of the Noteissuing Banks Extension of Powers Ordinance, 1939, as modified by the Law Amendment (Transitional Provisions) Ordinance, 1946, that this Legislative Council hereby extends the powers of all the note-issuing banks to make, issue, re-issue and circulate notes until and including the 12th day of July, 1947.

The FINANCIAL SECRETARY said: —

By Article 3 of Proclamation 5, the powers of issuing notes by the note-issuing banks were extended for the period of the Military Administration. By the effect of Schedule 4 to Ordinance No. 2 of 1946, the powers were extended until the 12th of July, 1946. This Council may, by resolution, further extend the powers of any or all of the note-issuing banks for a period or periods not exceeding one year at any one time and it is now necessary to extend these powers until July 12, 1947.

The COLONIAL SECRETARY seconded and the resolution was adopted.

The ATTORNEY GENERAL moved: —

That the additional by-law made by the Urban Council under Section 5 of the Public Health (Food) Ordinance, 1935, Ordinance No. 13 of 1935, on 30th July, 1946, under the heading "Markets" set forth in the Schedule to the said Ordinance, be approved.

The ATTORNEY GENERAL said: The By-law for passage before Council is as follows: —

The Council may from time to time, in respect of any market, grant exemption from or suspend (with or without imposing conditions) the application of all or any of the Markets By-Laws or any part of any such By-Law or By-Laws. Any such exemption or suspension may be rescinded or varied at any time."

The object of the By-Law in question is explained by two main factors. One is that Government hope to institute shortly a Government wholesale market for vegetables in connection with a scheme for the control of vegetables which it hopes will not only produce more vegetables but control the prices. The second factor is that for some time now, I think for more than five months, Kennedy Town market has been operated as a fish market which is subjected to special regulations imposed to control the marketing of fish. These markets require special regulations and it is also considered that the Market By-Laws, as they stand at present, cannot be applied without some modifications to those markets. The object of the By-Law is to retain control in the Urban Council but to enable the Urban Council to modify the normal ByLaws where such modifications are required in order to allow these schemes to function.

The COLONIAL SECRETARY seconded and the motion was carried.

**CURRENCY (AMENDMENT) BILL, 1946.**

The ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the Currency Ordinance No. 54 of 1935."

The COLONIAL SECRETARY seconded, and the Bill was read a Second time.

On the motion of the Attorney General, seconded by the Colonial Secretary, Council then went into Committee to consider the Bill clause by clause.

Council then resumed.

The ATTORNEY GENERAL reported that the Currency (Amendment) Bill, 1946, had passed through Committee without amendment and moved the Third reading.

The COLONIAL SECRETARY seconded, and the Bill was read a Third time and passed.

**BANK NOTES AND CERTIFICATES OF  
INDEBTEDNESS BILL, 1946.**

The ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to remove doubts concerning the legal status of certain Bank Notes issued during the Japanese occupation of the Colony and to give power to the Financial Secretary to issue certificates of indebtedness other than in accordance with section 5 of the Currency Ordinance, 1935."

The COLONIAL SECRETARY seconded, and the Bill was read a Second time.

On the motion of the Attorney General, seconded by the Colonial Secretary, Council then went into Committee to consider the Bill clause by clause.

Council then resumed.

The ATTORNEY GENERAL reported that the Bank Notes and Certificates of Indebtedness Bill, 1946, had passed through Committee without amendment, and moved the Third reading.

The COLONIAL SECRETARY seconded, and the Bill was read a Third time and passed.

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**ADJOURNMENT.**

H.E. THE GOVERNOR. —

I should like to consult Honourable Members as to the date of our next meeting. It will not be possible for the main business of this Council to be ready in time to have the next reading of the Appropriation Bill in the course of next week. It is hoped it will be ready in the early part of the following week. It is not possible for Council to meet this day fortnight and I should like to know whether it is convenient for Council to meet on Tuesday, August 27. Will the Honourable Unofficial Members find that a convenient date?

The suggestion was agreed to.

H.E. THE GOVERNOR. —Council accordingly stands adjourned until Tuesday, the 27th of August.

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