

26TH JUNE, 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, K.C. (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. E. A. HEWETT, C.M.G.

HON. MR. WEI YUK, C.M.G.

HON. MR. C. MONTAGUE EDE.

HON. MR. D. LANDALE.

HON. MR. E. SHELLIM.

MR. C. CLEMENTI (Clerk of Councils).

Minutes

The minutes of the previous meeting were
approved.

Financial Minutes

THE COLONIAL SECRETARY, by command of
H.E. the Governor, laid on the table Financial Minutes
Nos. 31 to 35, and moved that they 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. 6, and moved its adoption.

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

Papers

THE COLONIAL SECRETARY, by command of
H.E. the Governor, laid on the table the Report of the
Captain Superintendent of Police for the year 1912.

Official Signatures Fees Ordinance, 1913

THE ATTORNEY-GENERAL moved the first
reading of a Bill entitled, "An Ordinance to amend the
Official Signatures Fees Ordinance, 1888."

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

The Objects and Reasons attached to the Bill are:

The object of this Bill is to add to the list of officers
authorized to charge a fee when their signature is
required for any purpose by the public. Occasions
occur on which the official signatures of the officers
in question are requisite.

Supplementary Estimates

THE COLONIAL SECRETARY moved the third
reading of a Bill entitled, "An Ordinance to authorize
the Appropriation of a Supplementary sum of thirty
thousand six hundred and nine dollars and fifty-seven
cents, to defray the charges of the year 1912." In
doing so he said—I have to report to the Council that
the Finance Committee recommended that the Bill
should be passed without amendment. In these
circumstances I beg to move the third reading.

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

Foreign Silver and Nickel Coin Ordinance

THE COLONIAL SECRETARY moved that the Council go into Committee on the Bill entitled, "An Ordinance to prohibit the importation and circulation of certain foreign coins."

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

On clause 4,

THE ATTORNEY-GENERAL said — It is proposed to alter this clause considerably. It is proposed to call the present clause sub-section 1 and to insert the two following sub-sections:—(2) The provisions of this section shall not apply to any coin imported under a licence in writing under the hand of the Colonial Secretary. Every such licence shall specify the terms upon which such coin shall be imported. (3) If any person importing coin under any such licence fails to comply with any of the terms of such licence he shall be liable on summary conviction to the fine and forfeiture to which he would have been liable if the licence had not been granted.

HON. SIR KAI HO KAI—I think the sub-sections so far as they go will introduce an immense improvement, but it seems to me that they fail to meet all the cases of hardship and difficulty I have in my mind. Of course the licence can be a permanent or a temporary one, and can be applied for by those firms in this Colony who expect to have coin of all kind coming from the interior just as the shipping companies receive freight and passage money from Canton and other places in Chinese silver. They can apply for a special licence to bring these coins into the Colony, and afterwards they can change them at the native banks or the European banks. It seems to me that the new provisions fail to meet the large requirements of junk people. There are hundreds and thousands of junks coming into the Colony. From the port of departure they receive, of course, Chinese coin in payment of passage and freight, and *en route* when they touch various market towns they receive payment for freight in Chinese coins. They come to the Colony and they do what they have been accustomed to do for long years past, spend that money in the Colony purchasing goods and making other payments, afterwards returning to the interior, taking with them the goods purchased here. Unless some provision is made to enable these junk people to bring money into the Colony which has been paid to them and also to have in their possession until such time as they can exchange it at the money-changer's

or banks they will be continually breaking the law.

THE COLONIAL SECRETARY—Let us dispose of that point. I think your point will be met by granting an annual licence in general terms.

HON. SIR KAI HO KAI—By the Colonial Secretary or the Harbour Master?

THE COLONIAL SECRETARY—The Colonial Secretary would grant the annual licence in general terms to trading junks.

HON. SIR KAI HO KAI—That will meet the point. Another case is that of the travelling trader. There are a large number of market towns in China, and there being no exchange banks, a great many travelling traders come into the Colony to purchase goods. They are either agents for Chinese firms in the interior or they are commission agents themselves. They come into the Colony bringing a certain amount of foreign money to secure their purchases, paying so much in the shape of bargain money, as the firms here could not trust them with credit to the full amount. These deposits are paid in Chinese money. In many places there are no exchange banks. In Canton, of course, some of the foreign banks have established agencies, but even if native firms were to establish exchange banks in places where there are none very little credit would be paid to them. As a matter of fact, these traders come into the Colony with notes, which is, I think, just as undesirable as the coin, or coins, both of which we want to prevent from circulating in the Colony. It would be a very great injury to the trade of this Colony if no provision were introduced to enable these travelling traders to bring into the Colony a certain amount of foreign coin as long as that money is prevented from circulating in the Colony.

HIS EXCELLENCY—That will be a matter for permit, too. We must keep track

of the money that is brought in. It would not be any good to allow any general trader to bring in any amount of money. We would not know when he is bringing it in or how.

HON. SIR KAI HO KAI—Could we not make an arrangement with these firms and grant them a licence to cover these traders coming in?

THE COLONIAL SECRETARY—A general licence issued to the firm would cover any transactions of that kind.

HON. SIR KAI HO KAI—I was not aware of that.

THE COLONIAL SECRETARY—We cannot put too much detail in the Bill.

HON. SIR KAI HO KAI—If I have your assurance that a licence to a firm will include such transactions I think the Chinese merchants will be satisfied.

HON. MR. HEWETT—With regard to what the hon. learned and senior unofficial member has said about these travelling traders, presumably these men are regularly engaged in business and in a very short time they would learn that foreign coins are not admitted in the Colony. Surely there would be no difficulty up-country in getting any quantity of Hongkong subsidiary coin and Hongkong bank-notes. These should be got just as easily as Chinese coins and Chinese notes. It is very desirable that any special permits such as those suggested should be limited to the smallest number possible. I cannot see that it is necessary to extend this concession to traders who are regularly dealing between the mainland and Hongkong. It might be necessary in the case of junks that some such permit be provided, but not in the case of traders. If we give these concessions we shall be asked for many others. You are practically cutting the ground from under the feet of this Bill.

HIS EXCELLENCY—Not if the money is not put into circulation.

HON. MR. HEWETT—It means an enormous amount of trouble to the Government to keep track of this money.

HON. SIR KAI HO KAI—I think the hon. member who represents the Chamber of Commerce has missed the point. Here in China we are different to any other country. In all European countries you find exchange banks and other kinds of facilities for

trading, but here in China you have to take money and carry it bodily from place to place. You have heard of piracies where a large number of coins and paper money have been sent into the interior for disbursement and payment. If they had exchange banks they would not take that trouble, and that would diminish the risk of piracy. You cannot now put China on so advanced a footing as other countries which possess exchange banks. You cannot say that it is a matter for the Chinese to learn the way and to establish exchange banks. If these banks were established they would need to establish their credit too and that would take some time.

HON. MR. HEWETT—I understood the hon. member to say that these men bringing Chinese notes into the Colony are just as likely to be robbed as if they brought British money. If these men come from a distance they pass towns where they can exchange their money for Hongkong money, and if they come from close by they will have no difficulty in getting Hongkong money.

HON. SIR KAI HO KAI—I am informed that it is not so. There is great difficulty in obtaining Hongkong money, because it is at a premium in the country.

HON. MR. EDE—Would it get over the difficulty if you left out "importation" and simply say "circulation"?

HIS EXCELLENCY—No. That would open the door far too wide. The idea is to prohibit importation except under licence, and I go as far as to say that the Government will issue a certain number of licences after due inquiry. We would not issue a licence to a man doing business with Canton, because he could exchange money in Canton. If we are satisfied that he is doing business with places where there are no exchange facilities the applicant will be granted a licence. If these permits are infringed he becomes liable to the penalties under the Ordinance. We cannot undertake to issue an indiscriminate number. We must issue them with circumspection so as to meet the requirements of the trade.

HON. SIR KAI HO KAI—I wish to have the point clear that the licence is to any proper firm to cover travelling traders or their agents who come into the Colony.

HIS EXCELLENCY—The licence will cover the agent. He will have to show his authority or produce the licence. We are prepared to recognise firms.

HON. SIR KAI HO KAI—The agents of accredited firms coming into the Colony?

HON. MR. WEI YUK—Constituents rather.

HIS EXCELLENCY—You cannot issue a licence that will recognise an indefinite constituency. You cannot allow the trader to bring in money unless you have means of checking it. If there are these people coming and if they satisfy it is necessary for them to have a licence, we may issue them a licence.

H.E. THE GENERAL—The licence would be to the individual?

HIS EXCELLENCY—Yes.

HON. MR. HEWETT—Surely these men are well known. They are doing business in a large way. They ought to be able to get any credit they want from the foreign banks in Canton and elsewhere.

HON. SIR KAI HO KAI—These men come from long distances in the interior.

HON. MR. WEI YUK—There are places in the interior where no exchange could be effected.

HON. SIR KAI HO KAI—Though I am as anxious as any hon. member to prevent foreign coin and foreign notes circulating in the Colony, it would be a pity to restrict the great and growing trade of the Colony by introducing too strict a measure to attain that purpose, and I think if a respectable firm in the Colony were to give a certain guarantee you could then issue licences to cover their agents for collecting debts in the interior paid in Chinese coin and also for their clients coming into the Colony.

HIS EXCELLENCY—All I can say is that the licences will be distributed as far as possible to meet individual cases.

The clauses were then passed.

Amendments to Sections 6 and 7 and a new Section 10 were agreed to.

THE ATTORNEY-GENERAL—The Bill will come into operation on 1st March, 1914.

HIS EXCELLENCY—The Bill should be left in Committee until it has been reprinted.

Council then resumed.

Foreign Notes (Prohibition of Circulation) Ordinance

THE COLONIAL SECRETARY moved that the Council go into Committee on the Bill entitled, "An Ordinance to prohibit the circulation of foreign notes."

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

The Committee decided that the Bill should come into operation on 1st August, 1913.

On Council resuming,

THE ATTORNEY-GENERAL reported that the Bill 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.

HIS EXCELLENCY—Council stands adjourned until this day fortnight.

FINANCE COMMITTEE.

A meeting of the Finance Committee was held afterwards, the COLONIAL SECRETARY presiding. The following votes were passed:—

Educational Charges

The Governor recommended the Council to vote a sum of \$698 in aid of the vote Education, A.—
Department of Director of Education:—

Personal Emoluments

Director of Education.

9 Student Interpreters, at \$120 per annum each from June to December .. \$630

Other Charges

Director of Education.

Incidental Expenses	68
Total	\$698

Hospital Charges

The Governor recommended the Council to vote a sum of \$2,576 in aid of the vote Medical Departments, B.—Hospitals and Asylums:—

Personal Emoluments, Civil Hospital, Second Assistant Analyst at £360 per annum from 2nd June to 31st December	\$2,367
Other Charges, Civil Hospital, Conveyance Allowance at \$360 per annum for same period	209
Total	\$2,576

Police Charges

The Governor recommended the Council to vote a sum of \$10,800 in aid of the vote Police and Prison Departments, A.—Police, Other Charges:—

Furniture	\$ 300
Incidental Expenses	1,200
Launches and Boats' Stores	2,500
Secret Service	6,000
Subsistence of Prisoners	800
Total	\$10,800

Compensation to the Tramway Company

The Governor recommended the Council to vote a sum of \$15,248 in aid of the vote Miscellaneous Services, Compensation to the Hongkong Tramway Co., Ltd.

THE CHAIRMAN—You will recollect that at the meeting before last I explained that \$30,000 then voted was on account and that the Secretary of State was considering the basis on which the payment should be made. Apparently he has approved of the method by which we arrived at the assessment for compensation, which is on the basis of a five per cent. dividend.

The Registrar-General's Department

The Governor recommended the Council to vote a sum of \$250 in aid of the vote Registrar-General's Department, Special Expenditure, Typewriter.