

17TH 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, 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. 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 Minute No. 44, and moved that it be referred to the Finance Committee.

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

The Golf Course Vote

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the report of the Finance Committee (No. 8), and moved its adoption.

THE COLONIAL TREASURER seconded.

HIS EXCELLENCY—Regarding financial minute 41, relating to the resumption of land for a golf course at Fanling, there seems to be some misapprehension outside of this honourable Council as to the nature of this vote. Hon. members appear to understand—perhaps their intelligence is superior to that of those who have criticised the vote—but I think it would be as well perhaps to add a few words of explanation in addition to those made by the Hon. Colonial Secretary at the time that the vote was before the Finance Committee, which I would have thought would have been sufficient for most people. I have seen this vote termed a "grant to the Golf Club." Now, that is very inexact terminology. In no sense is this a grant. The facts are briefly as follows:—The Golf Club, wishing to extend its golf course to create a new golf course for the use of ladies, approached the Government for the lease of certain Crown land. Between that Crown land is situate certain private property in the nature of paddy fields which the Club did not feel strong enough financially to buy. Therefore, the Government proposed to resume these paddy fields, and to lease them, together with the Crown land, to the Golf Club, charging them rent which will repay $4\frac{1}{2}$ per cent. interest on the capital cost to Government. That in itself seems a quite justifiable transaction, but when I add that at a very low estimate it is calculated that when the ladies' golf course shall have been added to the existing golf course, the railway, which is a Government railway, will gain at the lowest estimation \$1,500 per year net in traffic receipts over and above what is received now, the transaction becomes an extremely good one. \$1,500 on \$10,000 which it is proposed to expend on resuming the land is 15 per cent.; add $4\frac{1}{2}$ per cent. for interest and we get a return to the Government of $19\frac{1}{2}$ per cent. The 15 per cent. earning power of this new

attraction to the railway is a very low estimate. I, myself, consider it will be at least 20 per cent., and in a few years, if one allows one's imagination to soar a little, one can imagine receipts being increased by 50 or even 100 per cent. If the gentlemen who have criticised this vote outside the Council can do as well for themselves in their private speculations or for their clients as the Government is doing, all I can say is that they are to be heartily congratulated. I may add that those who are conversant with railway management in the British Isles know that in these days Railway Companies lay out golf courses and build hotels adjoining them for the sole purpose of attracting passengers to their railway I know of one in Donegal which is laid out by a Railway Company simply for the purpose of increasing its receipts. This poor Government is constantly reminded to take a leaf out of the book of private business people, and we have taken the hint in this case.

The motion was agreed to.

Paper

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the Report of the Assessment for the year 1913-1914.

Legal Practitioners Amendment Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance to amend the Legal Practitioners Ordinance, 1871."

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

The object of this Bill is to introduce some small but desirable amendments into the conditions which govern the admission of solicitors to practise in the Courts of the Colony. In particular it gives in this connection recognition to the Hongkong Law Society which was incorporated in 1907 and which represents the solicitors' profession in the Colony.

Section 1 of the Bill is formal.

Section 2 indicates what body is referred to under the name of the Hongkong Law Society.

Section 3 indicates precisely the degree of education necessary to enable a candidate, for admission under articles of clerkship, to dispense with the requisite preliminary examination.

Section 4 provides that one at least of the examiners appointed to conduct examinations under the provisions and for the purposes of the Ordinance shall be a solicitor practising in the Colony.

Section 5 prescribes that notice of a candidate's intention to apply for admission as a solicitor shall be given to the Secretary of the Hongkong Law Society.

Section 6 replaces section 22 of the Principal Ordinance (No. 1 of 1871) by a new section. It will be observed that the alterations do not apply to barristers at all. Under the provision of the new section 22, a solicitor must give four months' previous notice of his intention to apply for local admission to the Registrar of the Court and to the Secretary of the Hongkong Law Society; and must deposit with the Registrar his certificate of admission, a second certificate that such certificate of admission is still in force and valid and a third certificate of good character; he must also file an affidavit of his personal identity. Of these requirements the certificate that the original certificate of admission is still valid and the certificate of character are new, but they are the same as those requirements which are demanded when application is made for admission in Great Britain.

A proviso is added to this section that on special grounds the Chief Justice may grant exemption from compliance with any of these formalities.

Section 7 gives a right of audience, subject to the approval of the Court, to the Hongkong Law Society on the hearing of any application for admission by a solicitor or for exemption from compliance with the formalities prescribed under section 22 or for striking the name of any solicitor off the rolls.

The Wireless Telegraph Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance to provide for the regulation of Wireless Telegraphy."

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

This Bill is introduced on instructions from and on a model approved by the Secretary of State. It repeals the three existing enactments relative to Wireless Telegraphy and re-enacts them with modifications and in a more compendious form.

Section 1 of the Bill is formal.

Section 2 gives the standard definitions of "Telegraph" and "Wireless Telegraphy."

By Section 3 and 4 the Governor is given power to grant licences for the establishment of Wireless Installations in the Colony or on board a British ship registered in the Colony and except under such licences Wireless Installations are prohibited.

Section 5 prescribes the penalty for the unlawful establishment of Installations or the working of any apparatus for Wireless Telegraphy without a licence and gives power to the proper authorities to search unlicensed premises or places and to seize any apparatus, found on any such unlicensed premises or places, which appears to be used or intended to be used for Wireless Telegraphy.

Under Section 6 the Governor-in-Council is given power to make regulations, prescribing the form and method of application for licences; the fees payable on the grant thereof; for regulating the working in the waters of the Colony of Wireless Telegraphy on board Merchant ships so as to prevent the interference by such working with the Naval signalling or with the working of any lawfully established local Installation or with the transmission of Wireless messages between local stations and ships at sea; for prohibiting the working or using of Wireless Telegraphy on board a Merchant ship whilst such ship is in the *harbours* of the Colony except under special or general permission and for prohibiting or regulating, in any exceptional emergency in which in the interests of the public service it is necessary that His Majesty's Government should assume complete control over the transmission of messages, the use of Wireless Telegraphy on board Merchant ships in the waters of the Colony. To the section is added a Proviso that the limiting or prohibitory regulations shall not apply to distress signals.

Under Section 7 special licences may be granted for experimental purposes.

Section 8 provides penalties for contravention of the provisions of the Ordinance or of any regulation made thereunder or for breach of any conditions or restrictions upon which a licence has been granted.

Section 9 repeals the existing enactments.

Registrar General's (Change of Name) Ordinance

THE ATTORNEY-GENERAL moved the first reading of a 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.

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

The Objects and Reasons state that it has been thought desirable to effect a change in the name of the office known as the "Registrar General," which is in fact responsible for Chinese affairs, and to designate the office by the more appropriate title of "Secretary for Chinese Affairs."

New Territories Regulation Amendment Ordinance

THE ATTORNEY-GENERAL moved the second reading of the Bill entitled, "An Ordinance to amend the New Territories Regulation Ordinance, 1910." In doing so he said—In the life and development of the New Territories trade and the sale and purchase of produce constitute a very important element. The natural tendency of direct personal dealings in general goods, and especially in local and marine products of the soil and sea, is centralisation in some customary spot which is either situated in populous areas or at a locality physically or geographically convenient for both buyers and sellers. In this way, Sir, some few markets—using the word "market" as meaning merely a centre where business of this type is transacted—have sprung up in the New Territories. A good example is on Chung-Chau or Dumb-Bell Island. Few affairs, however, are more unsatisfactory or more uneconomical, in a broad sense, than badly-chosen or undefined and ill-regulated markets. To choose sites for markets with local advice, best suited to a locality's needs, and to pick out for such markets places which are free to all, substantially unfettered in any way by individual advantage, pecuniary or otherwise, to fix upon market limits which shall be capable of being properly looked after, and to regulate the conduct of markets from a sanitary aspect and under strict principles of economy are some of the objects of the present Bill. Markets, when uncontrolled, are subject to many abuses. The influence of an individual may cause a site to be selected far from truly suitable or advantageous to the needs of the population. Again, one may find a locality in private ownership where the owner exacts unnecessary and excessive tolls; and even where neither of these elements occur the control may be

discovered to be in the hands of a purely interested and self-enriching body of persons or even in those of an individual actuated by like motives. From a hygienic point of view the proper control of markets is very important. Disease and pestilence may easily arise from a market which is insanitarily conducted. In this present Bill the principal object is, as I have said, to control and regulate after having fixed and determined the places for these markets. It is done, Sir, in a very simple manner. The Governor-in-Council under the present New Territories Regulation Ordinance has powers to make regulations for certain purposes, and it is proposed to add to those powers and give the Governor-in-Council powers which will be seen in section 3. They are, very shortly, to declare that any specified place shall be a market, for any area, and to fix the limit. It is necessary to fix the area for which a particular market shall be the market in order that it may be possible to prevent the establishment of rival and unauthorised markets in the same area. Then the Governor-in-Council is given power to make rules as to the proper nature of buildings, management of buildings and their inspection, both of which are, of course, necessary for the way in which the sale and exposure for sale of perishable produce has to be conducted, and in addition to that, power to impose certain small fees from which will be derived a fund which will make these markets, as they ought to be, practically self-supporting. Summarising the whole matter, the object of the Bill is to have in the New Territories well situated, economical and healthy markets. The carrying out of the provisions of the law will be in the hands of the District Officers. I may, in conclusion, add that it is not, at present, proposed to interfere, materially, with the locality of existing markets. With these few remarks I beg to move the second reading.

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

Council then resolved itself 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.

Tramway Amendment Ordinance

THE ATTORNEY-GENERAL moved the second reading of the Bill entitled, "An Ordinance to amend the Tramway Ordinance, 1902." In doing so he said—It may be recollected by members of this Council who have been here during the past two or three years that a dispute, which subsequently gave rise to legal proceedings, arose between the Government and the Tramway Company owing to some electrical interference which is alleged to have taken place by the operations of the Tramway Company. Legal proceedings were taken, and they came to a stop after they had gone a certain course and eventually the Government and Tramway Company—very sensibly if I may say so—came to an agreement, and part of that agreement concerns section 5 of this Bill. In this Bill the second, third and fourth sections are really inserted to prevent any possibility of a similar difficulty being unprovided for in the future. In the second section the words "telephonic or electric" are inserted after the word "telegraphic." In the old Ordinance, those words were omitted accidentally, and that was one of those things which really gave rise to the litigation which took place between the Government and the Company. Sections 3 and 4 simplify the somewhat cumbrous procedure of the old Ordinance as to litigation or as to the settlement of any matters in dispute between the Government and the Company or between the Company and the public. Section 5 is really a rather important section. Under the old section 49 of the original Act, there were certain arrangements for workmen's tickets on the trams. For various reasons that system has not worked very satisfactorily, and it is proposed now to elaborate the system—not to do away with it in any way, but to elaborate it and try to bring about a better system, and one much more satisfactory to the public and all concerned. The effect of this new section 49 is that the Company is bound to provide during periods prior to 7 o'clock in the morning and after 5 o'clock in the evening certain trams on which workmen will be carried at a reduced rate. Then there are provisions which protect the Company from being cheated or defrauded by people who pass them—

selves off as workmen and are not really workmen, and bye-laws will be made by the Company for carrying the scheme into effect. But all these bye-laws have to be submitted to and approved by the Governor-in-Council. That, Sir, shortly is the object of the Bill. The most important part of it, of course, is the part relative to workmen's fares. As I say, it does not do away with anything, but only replaces the old system, which was not satisfactory, by one which it is hoped will be better and more satisfactory. As pointed out by your Excellency, there was, before, a return ticket fare; that is done away with, and now workmen travel on single tickets.

THE COLONIAL SECRETARY seconded.

HIS EXCELLENCY—I think it would be advisable to explain further that although the provision existed in the old Ordinance for return fares, in practice there never has been any return fares granted by the Company. There is, of course, a certain difficulty in issuing return tickets. Also, the old Ordinance laid down a limited two-cent single journey. I don't know what was in the mind of the Legislature at the time, but the Company, as you know, has divided its line into sections, and it comes to this, that a workman can be charged two-cents for a section. Now, what the Government proposes to do if this Bill passes is to lay down certain overlapping sections for the whole of which a workman will be able to travel two-cents out and two-cents back. On the whole, the *bonâ fide* workman who lives outside the city will gain, and ought to gain. The object, of course, of the workmen's cars is to discourage overcrowding in the city and to induce workmen to live outside the City of Victoria and to travel to and fro to their work. I may say that the object has not been realised, but it is more likely to be realised under the Bill as it stands than it was under the old Bill.

The motion was agreed to.

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

On Clause 5,

HON. SIR KAI HO KAI said—Just now your Excellency spoke about travelling in sections. In this section it is worded just the same as before.

HIS EXCELLENCY—Under 4f you will read, "The Company may make . . . length of journey."

HON. SIR KAI HO KAI—When the question of workmen's cars was being considered formerly I was present in the Council, and I may say the intention was for the whole journey; that is, without any sections at all. Workmen's cars run from both ends into the city, and it was not intended to charge the people using them by sections.

THE COLONIAL SECRETARY—The law did not specify that clearly; the result is it has never been done in practice.

HON. SIR KAI HO KAI—In this instance I hope the Government will define the length of a journey.

HIS EXCELLENCY—It is not considered quite reasonable that the Company should carry workmen the whole length from Kennedy Town to Shaukiwan for two-cents, but we will make a length journey from points intermediate between Kennedy Town and Causeway Bay.

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.

Steam Launch and River Trade Steamer (Protection Against Piracy) Ordinance

THE ATTORNEY-GENERAL moved the second reading of a Bill entitled, "An Ordinance to extend the provisions of the Steam Launch (Protection against Piracy) Ordinance, 1900, to certain classes of steamers." In doing so he said—Under the Ordinance of 1900 certain precautions were necessary to be taken, and were made compulsory to be taken in the case of steam launches against the attacks of pirates. The preamble of the old Bill shows exactly what was intended (quotes). Now, Sir, the present Bill proposes to add to the class of steam launches another class, that is, a class which is defined in the Bill as river trade steamers. It is obvious that these forms of piracy on board these ships do not only occur on

steam launches. And, judging from what has taken place recently, I think, at any rate in some instances, no precautions, or very few precautions, are taken by people responsible for running small steamers from here to various points up the river. The old law of 1900 provides in section 4 that it shall be the duty of the owner, master and members of the crew of every steam launch to observe all such precautions against piracy and robbery as may from time to time be prescribed in writing by the Captain Superintendent of Police with the approval of the Governor. Now, under that section of the old Ordinance certain very reasonable regulations were actually drawn up and were in force with regard to steam launches. To secure compliance with those conditions the master of the steam launch had to enter into a bond in the case of a steam launch of \$1,000. In the case of river trade steamers it seems very desirable that some sort of rules should be drawn up, and should be capable of being enforced on the river steamers just as they are in the case of the steam launches. The object of this Bill is to do that, and it will be given effect in this way: the old Bill will be simply added to by including river trade steamers wherever the words steam launches occur, and in addition to that there are one or two other somewhat important points I should like to draw attention to. The first is the definition of a river trade steamer. This definition has been drawn up by the Marine Authorities, and includes any steamer of more than 60 tons register, regularly plying with cargo or passengers between the Colony and any port or place on the Canton river or the West River or any river in the interior of the Kwangtung or Kwangsi provinces, or Macao, and any British steamship of more than 60 tons register so plying from, to or between such ports. One may be asked why is that last part put in. It is to cover this sort of case, the case of a British steamer, over which we have some jurisdiction, not coming to Hongkong at all, or seldom coming, but plying in these waters which are mentioned. These steamers should be compelled to take the same precautions which have to be taken by all steamers which ply between this port and the ports mentioned. There are two other rather important points. The first is that the bond in the case of a river trade steamer is to be \$5,000; that is to say, the owners or masters or charterers of a steamer have got to enter into a bond of \$5,000 as security that they will carry out the instructions given for the protection of these steamers against piracy. The third point is this: What sort of penalty can one impose supposing precautions were not taken on these steamers? Under section 9 of the old Ordinance it was provided that if, after the report of the officer who makes the inquiry as to whether these precautions had or had not been properly taken,

had been received, and the report showed that there had been really gross impropriety in finding these necessary safeguards, it was open to the Government to take away the licence of the launch in question; but in the case of passenger steamers it is made so that their passenger certificate might, in certain circumstances, also be taken away. This would be the only way of dealing with these steamers, other, of course, than forfeiture of the bond.

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 Clause 3,

HON. MR. EDE asked—Is the word "regular" necessary there? It seems rather to complicate the clause than to simplify it.

THE ATTORNEY-GENERAL—This Ordinance really refers to steamers on the regular passage routes.

HON. SIR KAI HO KAI—I think the learned Attorney-General said he wanted to include steamers that only called here occasionally. If so the word "regular" ought to be cut out.

HIS EXCELLENCY—It can come out.

THE COLONIAL TREASURER—Then it would affect the China Merchants and other large boats running along the coast.

THE ATTORNEY-GENERAL—It is not meant to cover steamers like the *Linan* and *Chenan*.

HIS EXCELLENCY—Then we had better leave the word in.

THE ATTORNEY-GENERAL—There is another little point regarding the tonnage of the steamer: that part of the clause ought to be altered to read, "steamers of

60 tons register and more than 60 tons register."

On Council resuming,

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.

Education Ordinance

THE ATTORNEY-GENERAL moved the second reading of the Bill entitled, "An Ordinance to provide for the Registration and supervision of certain Schools." In doing so he said—I may preface the few remarks I propose to make by saying that it is not proposed to proceed with this Bill further than the second reading to-day, as perhaps there may be some important amendments which members may wish to bring forward. I think, Sir, that all hon. members will agree with me when I say that education is certainly one of the most important matters which concern this Council, or any other Council, and everyone all over the world. The problem of education in this Colony is one of difficulty. I am not at all sure that it is not in most countries one of difficulty. It certainly is in Great Britain, where for some years past the subject of primary education has been a matter of the bitterest controversy in the State schools; in the so-called but badly designated Public Schools such as Eton, Harrow, Charterhouse, Winchester and the like, the methods are being greatly criticized; and the systems of higher education of the great Universities of seats of learning such as Oxford and Cambridge are even now in the melting pot. In the countries in which I have had the honour of serving difficulties also arose: in South Africa those of language and of different views as to the proper aspect of British history in its bearing on South Africa In Cyprus the difficulty of two races separated by vast gulfs of dissimilar religion and language—one, the Greek, anxious and eager for education and ready to pay for it provided that it was on its own—semi-political lines; and the other the Turk—not anxious for education in the abstract at all. Since I have been here I have seen it stated in the Press that the Government ought to take in hand the education of the Colony; it ought to take it in hand seriously and deal with it properly. This Bill, Sir, is a step in that direction. It does not profess or propose to be final in any way, but it is something. It may be a surprise to people to know what an enormous number of schools there are in the Colony and the New Territories, schools which are conducted in simple fashion without any control and without any curriculum laid down, or any kind of

observations kept, and under conditions which are in many cases extremely unsatisfactory. I am going to, if I may, give the Council a few figures with regard to the number of schools, and I must confess that to me the number came as a great surprise. Now, in the Colony, that is, the old Colony, there are seven Government schools with English staff; there are nine private schools with English staff and 41 private schools without English staff. Those schools receive Government grants. There are other private schools which do not receive any Government grant, and which are not Government schools, five of which have an English staff, and 329 of which have no English staff. Now, those 329 schools in the old Colony are schools which will be all directly affected by this Bill. The Government schools will not be, and the probability is that a very large majority of the other schools which I have mentioned will not be affected either. But all these 329, a great mass of material which is at present untouched, will certainly be affected. In the New Territories there are no Government schools with an English staff, but three Government schools without an English staff. There are no private schools with an English staff which receive a Government grant, but two private schools which do receive a Government grant have no English staff. There are no other private schools with an English staff, but 222 private schools in the New Territories without an English staff; that is, which do not receive Government grants and are not Government schools. These 222 schools are another lot which will be directly affected by the provisions of this Bill: so that roughly speaking there are about 550 private schools conducted under all imaginable sorts of conditions by all imaginable sorts of persons without any English staff and without any proper control. It is proposed to affect those by this Ordinance now before the Council. Therefore, I think one may fairly say it is a very important measure, and one which needs very careful consideration. Now, Sir, the Bill does not deal at all with Government schools, and if members

will kindly look at the third section of the Bill they will see that the Bill does not deal at all with Government schools, because, of course, they are already under the control of the Government. It does not deal with the military schools, which I venture to think are very well conducted and models of what such schools should be. Absolutely they are under the Military Authorities' direct control, and the Bill does not touch them. Now comes a proposed more important clause which you will see under sub-section (c), section 2. Those schools will probably be about 60 in number; those will be the schools which are properly conducted and well conducted, and some of which I cannot think could be seriously mentioned as being schools which will be "roped in" under the provisions of this Bill. All these respectable schools will be exempted from the provisions of the Ordinance. Its object is to deal with the enormous number of ill-regulated and at present almost unknown schools. It is absurd to suppose or assume that the Registrar of Schools or Director of Education who is to be appointed under section 4 of the Bill, as was assumed in an article published in the Press, need be either unqualified or unsympathetic. We may call him the Registrar of Education, or, if one liked a higher sounding title, the Director of Education. I think one may assume, in a serious matter like this, that it would be folly—worse than folly—to appoint a person not qualified to undertake these arduous duties. Under section 4 also, inspectors may be appointed, whose duties will be to inspect the schools. After putting aside all the schools of exemplary class, the Bill takes all the rest of the schools and divides them into two classes. The first class are what I call the lowest class of school, that is to say, a class of school of which no doubt many of these 550 are; where the rudiments of education may perhaps be taught, and under conditions which may perhaps not be very satisfactory; and that lowest class of schools is going to be brought under direct control. They are what are called the registered schools. Every school which is not exempted from the provisions of the Ordinance has got to be registered. Of the two classes of which I speak, there are, first of all, those which are registered and which are under substantially the complete control of the Educational Authority; and, secondly, a class of better schools which will receive what in the Bill is called a certificate of exemption. Now, the difference of treatment in those two classes is very marked. In one case, the lowest, they will be under the direct control or management of the Educational Authorities. In the case of the upper class of these schools, of which there may be many or few, those schools will be all given a certificate of exemption which will prevent them being under strict and rigid control, and will only make it necessary for them to be examined and inspected once a year and put under what is called limited supervision. With these remarks I will pass to the sections of the Bill. First of all there are the completely exempted schools.

Secondly, there are two classes to which the Bill applies. Firstly, the lowest schools, directly and completely controlled by the Educational Authorities; secondly, the upper schools which are only more or less supervised. Now, Sir, in section 5 it is laid down that all schools which are not exempted shall be registered. We may pause here one moment and ask, what is a school? One sees objection taken to the definition of a school. How are we going to define it? I define it as any place where 10 or more persons are being habitually taught. I do not think we can have a better definition. Now, in section 6 you get what is the ultimate effect of all Bills really—you get the penalty for disobedience of the Ordinance, and here it comes to this: that if the Ordinance is to be of any effect we have got to be able to see that its provisions will be carried out. In order to carry out its effect section 6 makes it possible for unlawful schools, that is, schools which ought to register and do not, to be closed down. So far as that section is concerned, it is necessarily a sledge hammer. You cannot have anything else. Part 2 deals with existing schools. It gives a simple illustration of how they apply for registration. You see the form of application for registration. The master of an existing school signs Form 1 of the schedule and gives particulars. What takes place will be that the Director of Education or one of his inspectors will go and look at the school. Then, it is open to him, under the same section, if he thinks it should be registered to register it. Supposing he does not think it ought to be registered, then he may refuse to do so. My view is, and I believe it is the view of all sensible men, that a bad school, badly conducted, with bad sanitary conditions ought either

to be rapidly reformed or shut up altogether. Anybody who wants to start a new school goes through exactly the same process. When his application is received the school is examined, and if found to be satisfactory it is registered. Part 3 deals with the higher class of these 550 odd schools which are to be exempted from the full effect of registration and put under modified supervision. You will see how this is done in section 11. A person makes application, and if the application for a certificate of exemption is accepted, the school is hardly under the Ordinance at all, but comes under certain provisions which you will see in Sections 12 (a), (b), (e), 14(2), 18, 19, and 20. Section 12 is very important. With regard to these schools you may register them and inspect them, but have got to have some power under which you may effectively carry out what the ideas of the Governor-in-Council are. The Governor-in-Council will have powers to make regulations for sanitation. I do not think there is anything more important in the education of the young than that it should be carried out under healthy conditions. And as to the methods of enforcing discipline, it is desirable that they should be placed on a proper basis. They are not satisfactory. I have seen cases myself in which we have had students bringing actions against schoolmasters. It is very desirable that the enforcing of discipline should be put on a proper basis. Provision is also made to enable the prohibition in registered schools (here mark, please, the word "registered" is used), not all schools, of the use of any book, the use of which appears undesirable. I am told, I do not know if it is correct, that it is very desirable in some of the schools in the Colony that a good class of instructional book should be introduced. Certainly I don't think anybody would like to see poor works used in schools for primary education. Perhaps the most important thing next to the teacher are the books which are used in primary schools. (d) deals with the proper keeping of school registers, and with regard to (e), that is what I call the usual omnibus clause, "any other matter regarding the proper conduct and efficiency of schools." It is impossible to put every clause in the regulations which one feels may be necessary, therefore that is put in for the purpose of bringing in anything that may be necessary. The regulations have to be published in the *Gazette*. Then we come to very important clauses. Section 14, which lays down that the Registrar has to inspect personally or through one of his inspectors, at least once every year every registered school in order to ascertain if the regulations are properly complied with and if the school is efficiently carried on. Obviously, this is a clause which one must have. Then the exempted schools, that is to say, the certificated schools, are to be inspected similarly in order to see whether the limited

regulations which apply to them are being complied with, and also to see that they are keeping up that standard which in the first instance enabled them to escape from being fully registered and to obtain their certificate of exemption. Section 15 gives legal right of entry for the Registrar and inspectors. Sections 16 and 17 are of very great importance. Section 16 deals with what happens supposing at the annual inspection the Registrar finds the school in a bad state, wholly inefficiently conducted, and that it has not complied with the Sanitary regulations— in short, not being carried on properly. What can the Registrar do? First of all give notice to the master of the school that he has got to reform radically the school and put it on a proper basis. If he does not do so, what is the alternative? The only alternative we have got is to close the school down. There is no other way of doing it. You can take a horse to the water, but you cannot make him drink. You can tell a man what to do; if he does not do it, very well. If he will not carry out these reasonable regulations he is not fit to have care of the young. Section 17 deals with the very difficult question as to whether the Registrar or Director considers that a school is necessary for educational purposes. Now, schools in this connection are something like public houses. You may get five or six rival schools all struggling to attract the youth of the neighbourhood and overlapping each other. That is not economy. The result is, instead of having in a populous centre or area one or two well-conducted schools, you may perhaps have half a dozen bad ones. The object of section 17 is to have some sort of reasonable arrangement, so that there will not be an undue number of schools in a certain locality and none in others. If it is seriously thought that a school is not necessary for educational purposes in any locality, it is possible for the Registrar, after due notice, to give instructions that that particular school be closed down. Section 18 relates to what I call a Departmental matter; it deals with the necessity of keeping a register of schools, which

will naturally have to be done. Section 19 is also an important one. That gives an appeal from the decision of the Director of Education on any matter to the Governor-in-Council. I see it has been said that to appeal from the Director of Education to the Governor-in-Council is like appealing from Peter to Paul. That really is nonsense. People who have the honour, like I have, of sitting on the Executive Council, know perfectly well that all appeals are considered on their merits. Because one official takes one view, it does not follow that the others will take the same. Section 20 gives power to the Governor-in-Council to close a school if it appears that the school is prejudicial to the interests of the Colony, and that is a power which will be only exercised under circumstances of exceptional gravity, or circumstances which would necessitate some sort of action of that kind. It would be an Executive act; an act which, even probably without this law, would be legal if just. By section 21, if this Ordinance passes, the Chinese Vernacular Educational Board will be no longer necessary for present purposes. I do not say it is not possible that some kind of Board or Advisory Committee will be brought into being, but as at present constituted the Board would find its functions gone. I do not wish to say anything against it, because I know little about it, but I don't know that it has been a very great success, and probably I should not be exaggerating if I said it had not been a success at all. I am afraid I have taken up a great deal of time, but this does seem to me a very important Bill. As I said at the beginning, I do not propose to proceed with more than the second reading to-day.

THE COLONIAL SECRETARY seconded.

SIR KAI HO KAI—Sir, I am not going to oppose the second reading of this Bill, because I heartily sympathise with the desire on the part of the Government to bring all the schools in the Colony under control—at least, under their supervision so that they may know what is being taught to the younger generation of this Colony in any or all of these schools. Indeed, I think it is necessary for the Government now to adopt a measure of this kind to bring all those schools characterised as "adventurous" into line. Such schools are conducted by individuals for their own gain, not by a body of persons or society or association. As long as the teacher can get a certain amount in the year, he does not perhaps care whether the scholar is getting any benefit or not, therefore I think a measure of this kind necessary. There is only one thing in this Ordinance, which I think open to serious objection. I mean the very ample power given to the Registrar of Schools in deciding what books

should be used and what schools should be exempted or certificated, etc. I quite agree with the honourable and learned Attorney-General that we must not assume that the Registrar of Schools would be a man incompetent for his post, on the contrary we quite agree he is a superior man, and our experience during the past has been that those who held the post of Director of Education or Inspector of Schools formerly have been men more than competent for the post. Still, if we take the learned gentleman's figures we find 329 schools on this side without English masters, and I suppose mostly Chinese vernacular schools. With all due respect to past Inspectors and Directors of Education, and with all due respect to the present holder of that office, I say that no man is competent to deal with these vernacular schools without some Board to advise him. In the Technical Institute, the Advisory Board of Authorised Architects, and also in the Medical Board, you will find, Sir, that the Government agree fully to the principle that it is necessary to associate some men of experience to decide upon momentous matters, such as registration of architects, or for the carrying on of Technical Education, also in the registration of medical men. I cannot see why the Government should in this particular case, seeing the enormous importance of the subject, make no provision for a Board to assist the Registrar of Schools in deciding upon any particular case; a Board that would give him the soundest advice possible, and also give him information in an unofficial capacity which all his inspectors are not likely to receive. I am not raising this objection in any carping spirit. My intention is merely to suggest the appointment of an Advisory Board to strengthen the Registrar in carrying out the functions which are imposed upon him by this Ordinance and to exercise his power in a reasonable manner.

His EXCELLENCY—The point with which the hon. senior unofficial member dealt is one which I need hardly tell you received the very earnest consideration of the Government, and the conclusion the Government arrived at was that education in the schools to which the hon. Attorney-General particularly referred is in such a chaotic state that no Board could possibly assist the Government in dealing with the matter. My predecessor made an endeavour to deal with vernacular schools by means of a vernacular Board composed principally of Chinese gentlemen. That Board has been consulted freely about this Bill, and that Board, of which the hon. senior unofficial member is a member, agreed that the Board was an absolute failure, and that there was no necessity for any such Board. Of course, it is very easy to understand why it was a failure. In the first place, it had no legal sanction behind it. It had no power to enter into any school, nor had it any staff to inspect the numbers of schools which have been given you, and you will readily understand a body of Chinese gentlemen, however, energetic and however public-spirited, could not possibly spare the time to go round the Colony and inspect 550 schools, half of which are scattered over the New Territories, in places extremely difficult of access. It has taken months—absolutely months—for the Government, by its own officers, to inspect those schools and find out really where they are located and what they are doing. If this Bill passes in its present form, and I may as well take the opportunity of telling you that it has already been submitted to the Secretary of State for the Colonies and has had his sanction, it will not be by any means an unique measure. We need only travel as far as the Federated Malay States to find an Education Ordinance which puts the power of control direct into the hands of the Government with no intervening Advisory Board. In the Federated Malay States there is no Advisory Board, and I understand the absence of a Board there is an advantage. I am not at all surprised at that. Education is a subject upon which men's ideas differ radically—so radically, that it is almost hopeless to get any unanimous agreement amongst them upon what lines education should proceed. The Attorney-General referred to the dissensions in the United Kingdom on the subject. We have had our own little experience here. The last Grant Code put through was only put through after an enormous amount of discussion and trouble. Perhaps in the dim by and bye, when things are advanced very much further than they are at present, the Government may listen to those who wish for an Education Board, but I can say at once that the Government, after most serious consideration, considers that it can best deal

with this matter with its own strong hand. When it makes that statement it is, of course, alive to the assistance it can get by consulting those in the community who are interested in education, and as these matters will largely affect Chinese schools—though by no means altogether Chinese schools—but as I say, it will duly affect Chinese schools, I have not the slightest doubt that the Government will proceed in this matter, as it does in all matters, by consulting and taking the advice of the Chinese community. But, as I said before, the Government stands firm on this particular point, which is that it shall, through its own officers, who after all are technical men, control this subject of education and put the educational house into some sort of order.

The motion was agreed to.

Companies Amendment Ordinance

THE ATTORNEY-GENERAL moved the second reading of the Bill entitled, "An Ordinance to amend the Companies Ordinance, 1911." In doing so he said—I may preface my remarks on this Bill by saying it is not proposed that it should be passed to-day, only that it should be read a second time. In certain classes of local affairs, in certain classes of matters, one always finds that Ordinances of great length have got occasionally to be amended and re-amended. There are some cases I recollect of Ordinances, both in England and elsewhere, which have recurrently, practically every year, to be amended. I notice that also within the Statute books of this Colony. The Companies Ordinance is one of those unfortunate subjects to which we have never got to the bottom. There are always new things cropping up in it; new ways of evading the law are found, new schemes of commerce and commercial arrangements come into force, and we have got to cut our coat according to the cloth. This is one of those Bills in which we

make small amendments one year to improve on them the next. The first important part of the Bill is that it makes it imperative that certain statutory documents, that is to say, documents which have got to be produced by all Companies, must be in English, although they can be in Chinese or any other language in the first instance. As a matter of fact, they are now filed in the Registry in English, but this Bill makes it obligatory that they shall be. I am told by the Registrar of Companies that there has never been any difficulty about having translations made. A very important clause is section 9. What are the statutory books? Under the original Ordinance it is necessary for traders and companies to keep certain books. It is desirable we should know what "books" mean. This section 9 is an attempt, extracted with great difficulty, to define what statutory books are. Cash book, journal and ledger, those are the three books. And it is provided—and this is really necessary for audit purposes—that at any rate part, or an extract, of the cash book shall be kept in English, so that a company's affairs can be seen at a glance by anyone who is not, as many Europeans are not, fully acquainted with the intricacies of the Chinese language. I may say that this has been approved of by the Chinese community. Chinese gentlemen have been approached on the matter, and think it very right and proper. I may point out that it will certainly have the effect of inspiring considerable confidence. The next important point is in section 16, the question of audit. It may be that some modification is required in this. A Company has got to be audited by some respectable person, and some person of whose integrity there can be no doubt. It is proposed in this Ordinance that the Registrar of Companies shall have power to publish, by notification in the *Gazette*, a list of all names of persons who have made application to be recognised as auditors, and who are in his opinion qualified for the duties required. This list is published, and the names of the persons contained therein are entitled to act as auditors under the provisions of this Ordinance. It may be desirable that this official should be assisted by the president of the Auditors' Society, or whatever the gentleman may be intitled here; it may be desirable that he should be assisted by others, but at any rate the principle is that there should be a definite list of company auditors, and that those people are respectable people. Any decision of the Registrar under that section will be subject to appeal to the Court, so he is not the sole and ruthless judge as to whether a person is to be put on this list or not. There is another important item in section 16 which may have to be altered. It has been the practice in many cases here, I believe, that accounts of companies are audited by persons who are

shareholders. Now, as a matter of fact, there may be something to be said sometimes in favour of a person who is a shareholder auditing the accounts of a company, because it may be that he may take the part of his co-shareholders against the directors. On the other hand, in some other ways, the fact of a shareholder being the auditor of a company might open the door to, possibly, as one can well imagine, fraudulent actions, because this shareholder could make his company appear more prosperous than it really was to enhance the value of his shares. In fact, we have got to see that the auditor is an impartial and respectable person. It has been suggested, I think by the Chamber of Commerce, that an auditor should not be a shareholder, and it certainly seems desirable that he should not. At the same time, I believe there is some opposition to the suggestion. I understand the practice in Chinese companies is that the auditor must be a shareholder. In order to meet that objection, it may be necessary to re-cast this clause, and put it in this way: "Where the articles of a company say that the audit has got to be conducted by a shareholder, there shall be associated with that auditor some person who is not a shareholder." Sections 17 and 18 insert small amendments which are not very important in one way. The original sections were found not to be very satisfactory, and it is proposed to amend them in slight respects. I do not propose to go over them, as they will be understood by a reference to the previous Ordinance, and it is perhaps here unnecessary to give a legal disquisition.

HON. SIR KAI HO KAI—I have only a few remarks to make concerning this Bill, Sir, as it is not intended to go further with it than the second reading to-day. As the learned Attorney-General has just said, some representatives of Chinese Companies have met together several times and discussed the provisions of the Bill. The results of their deliberations have been on two occasions com-

municated to the Registrar General, and I remember one of the points was that under section 16 the Registrar of Companies, when he was appointing auditors of Chinese companies, should be advised by a Board of Chinese merchants, inasmuch as the auditor of a Chinese Company has to be differently qualified to the auditor of an English or European Company, because the two systems of keeping accounts are different, and a competent English accountant is not necessarily a competent Chinese accountant. I see in the section as it stands now that no provision has been made for this, and I believe unless this point is settled it cannot be said that the Bill has been agreed to by the Chinese community. I hope the learned Attorney-General will see how far he can go to introduce an amendment to section 16 to give effect to the recommendation of the Chinese community.

HIS EXCELLENCY—Was not the arrangement to get the names of approved auditors approved by the Chinese, and to furnish the Registrar with a list of those names?

THE REGISTRAR-GENERAL—The Board that met and discussed this matter advised that a selection of business men should sit with the Registrar of Companies and approve Chinese auditors who sent in their names.

HIS EXCELLENCY—We may just as well clear up this point. We were duly informed by the Registrar-General what the wishes of the Chinese community

were, and it was understood that the Registrar of Companies would take the advice of Chinese gentlemen before he published the names of auditors, but we did not think it at all necessary to put a provision of that nature into the Ordinance. It was a thoroughly understood thing that the Registrar would take such advice.

HON. SIR KAI HO KAI—If your Excellency gives us that assurance I am satisfied.

HIS EXCELLENCY — It was thoroughly understood.

HON. SIR KAI HO KAI—Then I have nothing more to say.

HIS EXCELLENCY—Council stands adjourned until this day week.

FINANCE COMMITTEE.

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

Miscellaneous

The Governor recommended the Council to vote a sum of \$2,750 in aid of the vote Public Works, Extraordinary, New Territories, Miscellaneous, Miscellaneous Works.