

6TH MAY, 1915.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, SIR FRANCIS HENRY MAY, K.C.M.G.

HIS EXCELLENCY MAJOR-GENERAL F. H. KELLY, C.B. (General Officer Commanding Troops).

HON. MR. CLAUD SEVERN (Colonial Secretary).

HON. MR. J. H. KEMP (Attorney-General).

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

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

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

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

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

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

HON. MR. D. LANDALE.

HON. MR. E. SHELLIM.

HON. MR. LAU CHU PAK.

MR. A. G. M. FLETCHER (Clerk of Councils).

Minutes

The minutes of the previous meeting were confirmed.

Financial Minutes

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table Financial Minutes Nos. 10 and 11, 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, laid on the table the report of the Finance Committee held

on the 22nd April, and moved that it be adopted.

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

Papers

THE COLONIAL SECRETARY — By command of His Excellency the Governor, I beg to lay on the table the following documents:—Report of the Superintendent of the Prison for the year 1914; Report of the Registrar of the Supreme Court for the year 1914; Report of the General Post Office for the year 1914; Report of the Land Officer for the year 1914, and the Report of the Harbourmaster for the year 1914, along with the Report of the proceedings of the Public Works Committee meeting held on the 22nd April, and the Quarterly Return of Excesses on sub-heads met by savings under heads of Expenditure for the first quarter of 1915.

Appropriation for 1914

THE COLONIAL SECRETARY moved the first reading of a Bill intituled, "An Ordinance to authorize the Appropriation of a supplementary sum Seven hundred and eighty-seven thousand, two hundred and fifty-two dollars and twenty-six cents to defray the charges of the year 1914."

The text of the Bill is as follow:—"Whereas it has become necessary to make further provision for the public service of the Colony for the year 1914, in addition to the charge upon the revenue of the Colony for the service of the said year already provided for: Be it enacted by the Governor of Hongkong, with the advice and consent of the Legislative Council thereof, as follows:—A sum of seven hundred and eighty-seven thousand two hundred and fifty-two dollars and twenty-six cents is hereby charged upon the revenue of the Colony for the service of the year 1914, the said sum so charged being expended as hereinafter specified; that is to say:—

Governor	\$ 329.29
Treasury	603.60
Harbour Master's Dept	1,677.98
Miscellaneous Services	688,003.62
Police and Prison Dept	1,749.52
Botanical and Forestry Department	767.14
Military Expenditure — Volunteers	2,544.80
Public Works, Recurrent	86,100.18
Kowloon-Canton Railway	3,157.39
Charitable Services	2,318.74
Total	<u>\$787,252.26</u>

THE COLONIAL TREASURER seconded, and this was agreed to.

The French Convent

THE HON. MR. H. E. POLLOCK moved the second reading of a Bill intituled, "An Ordinance to provide for the incorporation of the Mother Superior in the Colony of the Society of the 'Sœurs de Saint Paul de Chartres' by which the institution known as the Aisle de la Sainte Enfance, and as the French Convent is carried on." In doing so he said—Sir, the object of this Bill is to convert the Society, whose good work in this Colony is well-known, into a Corporation for the purpose of enabling the Society more readily and conveniently to hold and to deal with landed property in this Colony. This Bill, Sir, follows in the main the precedents by which other religious bodies in this Colony have been converted into Corporations for similar purposes.

HON. MR. SHELLIM seconded.

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

The Bill passed through Committee without amendment, and on Council resuming,

THE HON. MR. POLLOCK proposed that the Bill be read a third time.

THE HON. MR. SHELLIM seconded, and the Bill was read a third time and passed.

Levy of Estate Duty

THE ATTORNEY-GENERAL—Sir, it is not

intended to proceed with the next item of the Orders of the Day (second reading of the Bill intituled, "An Ordinance to provide for the levy of Estate Duty payable in respect of the estates of deceased persons").

Trading with the Enemy

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, "An Ordinance to amend the Trading with the Enemy Ordinance, 1914, and for purposes connected therewith."

THE COLONIAL SECRETARY seconded, and this was agreed to.

The Objects and Reasons showed that the object of this Bill is to introduce into the Colony certain provisions of the Trading with the Enemy Amendment Act, 1914. Clause 2 extends the Principal Ordinance to the war with Turkey. Clause 3 provides for the invalidity of any assignments of debts or other choses in action by enemies unless made by leave of the Governor or before the commencement of the war with the State to which the enemy belongs, but this will not affect assignments made in good faith and for valuable consideration before the eighth day of May, 1915. Any person who pays or satisfies any debt or chose in action to which the clause applies shall be deemed guilty of the offence of trading with the enemy. Clause 4 provides for the invalidity of transfers of shares in companies, and other securities, unless made before the passing of the Ordinance. Any company which registers such a transfer will be liable to a fine not exceeding \$1,000, and every officer of the company who is a party to the default will be liable to a fine not exceeding \$1,000 or to imprisonment for a term not exceeding six months. Clause 5 provides that every person shall be guilty of the offence of trading with the enemy who attempts, or directly or indirectly offers or proposes or agrees to trade with the enemy or to deal with any property over which he has no control for the purpose of enabling an enemy to obtain money or credit thereon. Clause 6 provides that any information given in pursuance of a search warrant issued under the Principal Ordinance may be used in evidence against the person who gave it in any proceeding relating to the offence of trading with the enemy. Clause 7 gives the Governor power to appoint a supervisor of any business if he thinks it expedient to do so.

Rating Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, "An Ordinance to amend the Rating Ordinance, 1901."

THE COLONIAL SECRETARY seconded, and this was agreed to.

The Objects and Reasons state that the object of this Bill is to give the Governor-in-Council power to authorise the total or partial exemption from assessment of any hostel attached to the University of Hongkong.

Alien Enemies (Winding-Up Ordinance, 1914

THE ATTORNEY-GENERAL moved the second reading of a Bill intituled, "An Ordinance to amend the Alien Enemies (Winding up) Ordinance, 1914, and to give power to stay actions against alien enemies." In doing so he said—This Bill, Sir, falls into two parts—the first part dealing with actions by and against liquidators or alien enemies, and the second part dealing with other miscellaneous points. Clause 2 of the Bill provides that no action by or against a liquidator, or against an alien enemy whose affairs are being wound up, shall be commenced or continued without leave of the Governor. It is obviously desirable that individual creditors should not obtain priority by taking legal proceedings, and it is also desirable that the estate shall not be burdened unnecessarily with the costs of such proceedings. Of course, permission will be given for the bringing of an action, or the continuing of an action, in any case where there is some genuine question to be tried between the parties which calls for the decision of the Courts. Where leave is not given to bring an action, the Bill provides that the time between the refusal and the time when that refusal is withdrawn and the action is brought and continued, shall not run against plaintiff under the Statute of Limitations. There is also a provision, Sir, that even if an action were to be brought and carried on to judgment, no execution shall be levied without your permission, the object being of course, to prevent a successful plaintiff in an action against a liquidator from obtaining priority over the other creditors. The Bill also provides

that actions by or against liquidators shall bind the alien enemies and persons whom they represent. With regard to Clauses 4 and 5 it has been felt recently, Sir, that in some cases great hardship would be caused to alien enemies or to their liquidators if actions were brought and continued against them in cases where they were unable, owing to the state of war, to get proper instructions from persons outside the Colony, and the two Clauses give power to the Supreme Court, in its discretion, to stay any action or other legal proceedings brought against the liquidator or alien enemy, where considerations of that kind lead the Court to believe that it would be unjust for the action to proceed. Clause 6 introduces power to the Governor to allow liquidators to go to the Court for directions on any matter arising in the course of the winding-up. Many matters do arise which involve legal points, and the simplest, quickest, and cheapest way in many cases would be for the liquidator to apply to the Court for directions, just as the trustee in bankruptcy applies for directions in the process of winding-up in bankruptcy. Clause 7, Sir, gives power to the liquidator, with your permission, to discharge out of any assets in his hands here any liability of the alien enemy whose trade or personal affairs he is winding up, even though such liability may not have arisen on transactions entered into by the branch of the business here. If the liquidator should have in his hands, at the close of the winding up, surplus assets, it seems only fair that he should be allowed, with these surplus assets, to discharge liabilities to British creditors elsewhere who are unable to obtain satisfaction of their claims. But, of course, it is not intended that any permission shall be given under that section to discharge liabilities outside the Colony in such a way as to prejudice in any way the discharge of liabilities of the business carried on in the Colony. Clause 8, Sir, provides that the assets on which liquidators' remuneration is payable shall include any cash balance in any bank or in the hands of any compradore, but as there is not very much labour as a rule involved in taking over cash balances, especially cash balances in a Bank, it is provided that no remuneration shall be drawn on any cash balance without your express permission. Liquidations vary very much in the amount of labour and

trouble they involve. Some are quite simple, others involve a great deal of time, worry, and trouble. In such cases it may be, Sir, that you will come to the conclusion that it would be only fair to allow the liquidator a little extra, and he will then be allowed remuneration on the cash balance or part of it. This lies entirely within the discretion of the Governor. The last clause provides that no liquidator shall dispose of the good will of any trade he is winding-up, or any trademarks used in connection therewith. It is not thought desirable that these important rights of property should be disposed of, except in very exceptional cases, if at all.

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

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

The Bill passed through Committee without amendment, and on Council resuming,

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

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

HIS EXCELLENCY — Council stands adjourned until this day week.

FINANCE COMMITTEE

A meeting of the Finance Committee followed, the COLONIAL SECRETARY presiding.

Belgian Red Cross Fund

The Governor recommended the Council to vote a sum of one hundred pounds (£100) in aid of the vote Miscellaneous Services, Grant to Belgian Red Cross Fund.

THE CHAIRMAN — Letters have been received from the Secretary of the Committee of the Belgian Red Cross, and it appears that the needs are very great, and are constantly increasing. As this Colony has already contributed very liberally to the British National Fund, it was thought that this Colony should give a sum of £100 to the fund. Perhaps others might be inclined to do something.

The vote was agreed to.

The Chinese Cemetery at Aberdeen

THE CHAIRMAN — It has become absolutely necessary to carry out certain exhumations in some of the Chinese Cemeteries. The most urgent work is at the Kai Lung Wan Cemetery, at Aberdeen. It is proposed to exhume 1,000 graves, and to remove the remains in a decent and proper way elsewhere. The sum required for that this year is \$1,800. A larger sum will be required next year to do a similar work elsewhere.

The vote was agreed to.