

29TH MARCH, 1917.

**PRESENT:—**

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

HIS EXCELLENCY MAJOR-GENERAL F. VENTRIS (General Officer Commanding Troops in China).

HON. MR. CLAUD SEVERN, C.M.G., (Colonial Secretary).

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

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

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. H. E. POLLOCK, K.C.

HON. MR. P. H. HOLYOAK.

HON. MR. LAU CHU PAK.

HON. MR. C. E. ANTON.

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

**Minutes**

The minutes of the last meeting were confirmed.

THE COLONIAL SECRETARY laid on the table the Financial Returns for the year 1916.

**Papers**

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table report of proceedings of the Public Works Committee held on March 15th.

THE COLONIAL SECRETARY by command of His Excellency the Governor, laid on the table copy of a bye-law made under Section 16 of the Public Health and Building Ordinance, 1903 (Ordinance No.

6 of 1903), and moved that it be approved.

HON. MR. WEI YUK seconded, and this was agreed to.

**Finance**

THE COLONIAL SECRETARY laid on the table Finance Minutes Nos. 7 to 10 and moved that they be referred to the Finance Committee.

HON. MR. WEI YUK seconded, and this was agreed to.

THE COLONIAL SECRETARY also laid on the table report of proceedings of Finance Committee, No. 2.

**The Colony and War Finance**

HIS EXCELLENCY, before proceeding with the orders of the day, said:—Towards the end of my address on the estimates last October I gave a short summary of what had been done by the Colony in the way of contributions for war purposes, and I propose now to give the figures up to the 15th March. The largest contributions in the Colony are the gift of \$3,000,000 raised by local loan and the gift of \$2,000,000 paid out of the revenues of the Colony. You have no doubt learned through the medium of the Press of the proposed gift by the Chinese Community of \$1,000,000 to the Imperial war chest for the current year and for each succeeding year of the war. I have not had official confirmation yet of this very generous offer, so I shall not allude to it now further than to say that this Government and I myself appreciate exceedingly this splendid offer. (Applause.) The contributions, both direct and indirect, to loans issued by the Imperial Government have been very large. A sum of £1,145,000 has been taken up by the Hongkong and Shanghai Banking Corporation and large sums have been taken up by local Companies from funds available in London. In addition the amounts taken up through the British Banks in the Colony are as follows:—

*(a) Direct Contributions.*

		(No. of Contribu- tors).
(1.)—British War Loans .....	£144,230	152
(2.)—Exchequer Bonds .....	633,360	256
(3.)—War Savings Certificates .....	58,334	462
(4.)—British War Expenditure Ce- rtificates .....	26,700	2
Total.....	£862,624	872

*(b), Indirect Contributions.*

	(Straits Currency).	(No. of Contribu- tors).
(1.)—Federated Malay States 6 per cent. War Loan.....	\$ 52,650	14
(2.)—War Loan Investment Trust of Malaya.....	24,030	17
(3.)—Straits Settlements War Loan Bonds .....	436,600	66
	\$513,280	97

The amounts contributed to various funds in aid of the war, and to Charities in connection with the war to 31st December, 1916, are as follows:—

Prince of Wales Fund (closed on the 31st December, 1915) .....	£31,500
British Red Cross Society.....	6,330
British Red Cross Society (Sir Robert Ho Tung).....	1,920
Two Aeroplanes (Sir Robert Ho Tung).....	3,000
Tai Yau Bank (half cost of three aeroplanes).	2,250
Community of Hongkong (half cost of three aeroplanes).....	2,250
Belgian Relief Fund (about).....	1,000
Belgian Red Cross Fund.....	100
Motor Ambulance (Mr. Lau Chu Pak and others).....	463
Motor Ambulance (Ladies of Hongkong)....	450
Star and Garter Building Fund.....	3,288
Royal Flying Corps Hospital.....	2,750
Officers' Families Fund.....	2,260
Lord Kitchener National Memorial Fund....	165
Prisoners of War Funds.....	1,589
Young Men's Christian Association Hut Fund (per <i>Hongkong Daily Press</i> ).....	1,204
St. Dunstan's Hostel for Blinded Soldiers and Sailors .....	1,821
Dreadnought Hospital.....	500
Royal Patriotic Fund Corporation.....	200
Sundry Funds.....	1,152
Total.....	£64,192

I would draw special attention to the Hongkong and South China War Savings Association, which, though it has been established only two months, has already invested on behalf of its members nearly \$200,000. The Committee consists of very representative men, with the Union Insurance Society of Canton as Honorary Secretaries and Treasurers. Rule 14 lays down that no deduction whatever shall be made from the funds of the Association in respect of working expenses, and I think the community is indebted to the gentlemen who have undertaken the formation of this association at no expense to the members, and that members of the public who cannot afford to invest in the War Loan or to whom the War Saving Certificates do not appeal can best show their gratitude by investing liberally through this association. (Applause.)

I desire to make special mention of the work performed in the Colony by several bodies of ladies engaged in making garments for use in the war generally, by the troops in the field and in hospitals, and also for troops leaving Hongkong for the front. They are as follows:—(a), Queen Mary's Needlework Guild: President, Lady May; Committee, Mrs. Hay, Mrs. Mackenzie, and Mrs. Chatham; to which are affiliated (b), The Hongkong Association of Women War Workers, consisting of:—

	Head
The City Hall Work Party .....	Mrs. Stabb.
Our Little Bit Society, Kowloon .....	Mrs. Green.
Naval Work Party, H.M.S. <i>Tamar</i> .....	Mrs. Sandeman.
Wesleyan Church Work Party .....	Mrs. Robinson.
Mothers Union Work Party .....	Mrs. Piercy.

Bandage making classes at:—

The Peak Club under Mrs. Gale.

Helena May Institute under Mrs. Jordan.

The United Service Recreation Club under Mrs. Beckwith.

The Catholic Women's League under Miss M. Loureiro.

Six thousand and sixteen garments have been made by the Association, including 1,495 knitted articles as well as 56,300 bandages and 11,435 swabs for various hospitals in the United Kingdom and abroad. In addition several thousand bandages and 825 mosquito nets were sent away before the Association was formed. The War Charities  
C o m m i t t e e d u r i n g t h e

year 1916 allotted a sum of \$32,000 for the purchase of materials for the Association. Lady May is President of the Association and Mrs. Pattenden, Honorary Secretary. (e). — The Union Church Working Party. This party, with comparatively small means at its disposal, has done much hard work resulting in the despatch during the year 1916 of 2,233 garments and useful articles, 290 milk covers and 1,000 bandages. A large number of towels and cigarettes have also been sent. The President is Mrs. Maconachie, and the Honorary Secretary, Mrs. Hickling. (d).—A working party conducted by Mrs. Young and Mrs. Capell has also done useful work. (e). —Mrs. Ede's work party, which sends home parcels every fortnight to men at the front.

Among miscellaneous help for war purposes organised in the Colony are the following:—(a).—A cigarette and tobacco fund was organised early in the war, and up to the 15th March a sum of \$19,925 had been collected, of which \$19,747 was expended. About five and a half million cigarettes have been distributed to nearly every unit in the British Army and to men in hospitals. The first Honorary Secretary and Treasurer of the fund was the late Mr. G. J. B. Sayer, and after his death Mr. D. W. Craddock became Honorary Secretary. On his departure from the Colony about a year ago he was succeeded by Mr. W. A. Dowley. Mrs. Arthur and Mr. A. Jenkins, the Honorary Treasurer, have done much work in collecting funds. (b).—Contributions by the various Masonic Bodies to the Freemasons' War Hospital. (c). —Articles of wear, tobacco and cigarettes from the members of the Police and Prisons Departments and their wives for those of their number on active service. (d).—A fund raised by Mrs. Milroy of the Sailors' Home for Hongkong Women's Beds in the Scottish Women's Hospitals for Foreign Service, and for the Weekly Dispatch Tobacco Fund. (e).—A fund raised by the local members of the Overseas Club in aid of the Aircraft Fund. The Miscellaneous Expenditure incurred by the Colony on account of the war during the year 1916 has not yet been definitely ascertained, but will probably be nearly \$500,000. There is every sign that the efforts made in the Colony will show no slackening during the current year. A sum of \$161,398 has already been received by the War Charities Committee and a sum of £3,900 has been sent by the Hongkong Jockey Club to St. Dunstan's Hostel for blinded soldiers and sailors, £100 to Blue Cross and £800 to Red Cross Society.

In addition to the above recital the fact should not be lost sight of that this Colony has made a Military

Contribution of \$2,116,670 in respect of the year 1916; has spent \$58,163 on its Volunteer Force for the same year, and \$500,000 in respect of miscellaneous war services such as maintenance and transport of Prisoners, Censorship, passages of men going to the front, and other matters. These facts and figures prove that the financial support which the Colony has given to the Imperial Government in connection with the war is by no means unworthy of the Colony, which was hampered at the outset by an unsatisfactory financial position. This has been dissipated by high exchange and the rehabilitation of her subsidiary coin and by fresh taxation. Moreover, the fact must not be lost sight of that the rebellion in China which covered the whole of the year 1915 and a considerable part of 1916 caused a serious dislocation of her trade. But good as I think our showing is I do not pretend that it is enough. Nothing can be enough in this war, and I cannot do better than urge the community of this Colony to read and digest the magnificent speech of Mr. Lloyd George reproduced in this morning's *Daily Press*, a passage from which I will read:—"We can overcome it (cheers); but only if the nation is prepared to back the Government with the whole of its resources. I don't want anyone to go away from this meeting, or to read what is said at this meeting, and draw any inference from that except one. The peril is great, but it can be surmounted by the grit, the energy, the courage, the determination of a great people like the people of these lands. (Cheers.) But the nation must support the Government, in money, in labour, in land, in the sacrifice of conveniences, nay, of comforts; then we shall pull through in our deadly struggle with these desperadoes." It behoves every member of this community to take those words to heart, and to practice the utmost economy in living, and to contribute as much as they possibly can spare to the Imperial War Funds. (Applause.)

### Merchant Shipping Ordinances

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, "An Ordinance to amend the Merchant Shipping Ordinances, 1899-1913."

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

The "Objects and Reasons" state:— There are three main objects in this Bill. One is to relax during the war the requirements as to certificated officers in the case of river steamers. The second is to provide for the licensing of all launches, including those which are not licensed at present. The third is to give the Governor in Council general power to make regulations for the purpose of controlling the embarkation and landing of persons and goods on or from vessels of all kinds.

The abnormal conditions of the present war have caused a great shortage of competent and suitable certificated officers, and it is proposed to relax some of the ordinary requirements in the case of river steamers. As regards the deck officers, it is proposed to substitute an extra Chinese pilot for the mate, so that river steamers will be able to run with a certificated master and 3 Chinese pilots. As regards the engineers, it is proposed to substitute for the second engineer, in cases where a second engineer is required, a Chinese engineer holding a certificate of competency from the Harbour Master and specially approved by the Harbour Master for the service contemplated in the Bill. These provisions are contained in Clause 2 of the Bill.

Clause 3 repeals Section 37 of the principal Ordinance and substitutes a new section. Under the new section it is intended to make regulations requiring all launches to be licensed. The opportunity has been taken to re-cast and simplify this section, and to relegate to the regulations such provisions as seem more appropriate to regulations than to an Ordinance.

Clause 4 is intended to give a power which circumstances connected with the war have shown to be desirable, but which may also be useful in times of peace.

### **Rating Ordinance**

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, "An Ordinance to amend the Rating Ordinance, 1901." In doing so he said:

The object of this Bill is to give the Governor-in-Council power to authorise the total or partial exemption from assessment of any educational institution. The principal Ordinance, passed in 1901, exempted schools from assessment. An amending Ordinance, passed in 1915, gave the Governor-in-

Council power to exempt the University hostels from assessment. This amendment repeals that Ordinance and provides that the Governor-in-Council shall have power to authorise the total or partial exemption from assessment of any educational institution, other, of course, than schools, because they are exempt already by general law.

THE COLONIAL SECRETARY 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 ATTORNEY-GENERAL moved that the Bill be read a third time.

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

### **Liabilities of Public Servants**

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, An Ordinance to protect certain Public Servants from Legal Proceedings in respect of certain Liabilities."

THE COLONIAL SECRETARY—Sir. As I have been in a measure responsible for initiating the proposal to enact in this Colony the somewhat unusual legislation embodied in this Bill, I should like to explain briefly to the Council the principle involved. In the rules of the Public Service it is laid down that serious pecuniary embarrassment, from whatever cause, will be regarded as a circumstance which necessarily has the effect of impairing the efficiency of a Public Servant, and of rendering him less valuable than he would otherwise be, and that the mere fact, under whatever plea, of becoming a party to accommodation bills, whether for his own purpose, or for another person, will subject a Civil Servant to certain disciplinary measures. These rules have not proved sufficient in practice to prevent Government Officers borrowing money and signing promissory notes, and a good many years ago, in the F.M.S., laws were enacted on much the same lines as the Bill now before you. My experience of the working of those laws in the F. M. S.

was entirely satisfactory. The need for a similar law is just as urgent, or even more urgent, in Hongkong. The records of the Courts show that the rate of interest charged in this Colony in money lending transactions is, to say the least, unconscionable, and it often happens that the original transaction does not come to light in the course of the proceedings. I have said that this legislation is unusual in its character, and it is so particularly in that it has as its object the protecting of a particular class of the community, namely, officers on the permanent establishment of the public service in the Colony. At first sight it may seem unreasonable that the same protection should not be accorded to other persons whose salaries are limited and who are equally liable to become the prey of rapacious money lenders. The borrowing of money by means of promissory notes, with or without security, is, however, often necessary in commercial life, and it would be a matter of great difficulty to devise a law which would lay down exactly in what circumstances money borrowed on a promissory note should be irrecoverable by the ordinary process of law. In the case of public servants the same difficulty does not arise. Colonial Regulation 40 is as follows:— "Salaried public officers whose remuneration is fixed on the assumption that their whole time is at the disposal of the Government are prohibited from engaging in trade, or employing themselves in any commercial or agricultural undertaking." Another point to which I desire to draw attention in discussing the principle of the Bill is that it does not make it an offence for a subordinate public servant to borrow money on a promissory note. He may do so and the fact may never come to light. It may also be urged as an objection that the money-lender may hold over the borrower the fear of discovery in order to extort a high rate of interest. All this was thoroughly gone into in the F.M.S., and in actual practice it was found that the threat of discovery had no substantial basis, with the obvious result that money-lenders ceased to lend to the protected class of Government servants. It would hardly be wise for me to indicate how this result was brought about, but I can assure Hon. Members that it is a problem easy of solution, or I should never have advocated the adoption of this Bill. Lastly, I would point out that the Bill is not

retrospective in its action, but, in addition to approving of the introduction of this measure, the Secretary of State has also approved of advances being made to subordinate officers to enable them to pay off existing debts. It is proposed to appoint a small committee to investigate the circumstances of each case of debt brought to its notice, and make such offers to creditors as appear just. I do not anticipate that in any case a reasonable offer in cash down will be refused in favour of a judgment of the Court involving repayment of an inflated sum by small monthly instalments—spread over a series of years. I feel, Sir, that if the Council will pass this bill a great blow will be struck at the unconscionable bargains made by many money-lenders in this Colony. I have little doubt that the cases which come before the Courts are only a small fraction of their number, and I commend the Bill to your favour in the full assurance that it will have the effect of relieving many members of the subordinate branch of the public service from what has hitherto constituted a very serious drawback to their efficiency and self-respect.

HON. MR. POLLOCK—I think, Sir, that we are all agreed, or we shall be agreed, that a good case has been made out for protecting Government servants in the way indicated. But, Sir, my point is this: I do not see why equal protection should not be extended to other members of the community who are not public servants. If money-lenders take advantage of public servants earning a comparatively small salary and charge usurious rates of interest, it seems to me that it is only right that people who are not Government servants, and who are also charged considerable rates of interest, also require a measure of protection in addition to public servants. It seems to me that a measure of this sort should be extended to others besides public servants.

HON. MR. HOLYOAK—I desire to support my colleague's remarks in that respect. In the first place I object to the Bill because it is a distinct form of class legislation which cannot but have an unfortunate effect on the Colony. In the second place, if the argument be true that public servants whose salaries are limited

are likely to get into debt, it is equally true of the small salaried commercial assistant. And if the object of the Bill is to prevent money being lent to such people as are classed, it is surely equally desirable that it should be made applicable to the Colony as a whole, and so prevent the system of money-lending, which is acknowledged to be an universal curse.

His EXCELLENCY—I am sorry I cannot accept the suggestions of hon. members. It is very necessary to protect public servants in this manner, for the success of the whole Government administration depends on the integrity of its public servants. It is a very serious matter for public servants to owe money and it ought to be prevented by all possible means. It might be argued that it is undesirable for clerks in mercantile firms to owe money, but that does not affect the administration of public affairs, as it would in the case of a public servant owing money. It is a difficult thing, I think, to pass such wide legislation as suggested, and I think the Council will be justified, and I hope the unofficial members will take that view in, at-any-rate, taking the first step to protect the most important section of the community which is in our midst. I therefore ask Hon. Unofficial Members to pass this Bill. I need hardly say that it is not a Bill that one would like to see passed without the full concurrence of the unofficial members.

THE COLONIAL SECRETARY seconded the second reading of the Bill, and it was passed a second time.

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

On sub-section 1C., of Clause 3,

HON. MR. POLLOCK moved that the word "like" should be inserted so as to make it clear as to what was really meant by the section. He thought the insertion of the word would remove any possibility of ambiguity in construction; the word "like" to come after the word "instruments," which had a very wide meaning.

The amendment was accepted, and the Bill passed through Committee with this amendment.

On Council resuming.

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

THE COLONIAL SECRETARY seconded, and

the Bill was then read a third time and passed.

### **Alien Enemies (Winding Up) Ordinance**

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled. "An Ordinance to amend further the Alien Enemies (Winding-up) Ordinance, 1914." In doing so he said:—This is the third amending Ordinance to amend the Alien Enemies (Winding Up) Ordinance, but I think that in view of the fact that the principal Ordinance was introduced at very short notice, and broke up what was then practically new ground, it is not surprising that a certain number of amendments have been necessary. One may perhaps hope that this is the last amendment, at all events the last one of any size and importance, that it will be necessary to make in the principal Ordinance. And I would like, Sir, to acknowledge the assistance received, both in connection with this Bill and also of the other Bills, from the various members of the legal profession. I think, too, it is very largely due to the discretion of the liquidators, and the reasonableness of creditors as a whole, that the liquidations have been carried out with as little legislation and litigation as they have been carried out. The Bill contains, of course, a great deal of minute detail which I think it will be more convenient to explain in committee if explanation should be necessary, and I hope now, as far as possible, to keep to certain general broad particulars, and not deal with the details of the Bill at present.

I would like to explain, though—and it will be necessary to go into some detail—a certain unavoidable confusion in the terminology of this Ordinance. I think the confusion is unavoidable, but I think also that it can be unravelled with the exercise of a little care. The point I refer to is the various definitions which have been applied to the class of persons whom we call generally "enemies." There are three such terms in this Ordinance. The first is "enemy," the second is "enemy subject," and the third "alien enemy." When the first Ordinance was passed the object was, of course, to

wind up businesses of the Germans and Austrians which were being carried on in this Colony, and the term adopted was "alien enemy." It was originally intended to use the term "enemy subject," but the term "alien enemy" was adopted in deference to the terminology which was then being used in the United Kingdom. "Alien enemy" was defined in the principal Ordinance, and it includes three things: enemy subjects, corporations established in enemy territory, and firms which had as a partner an enemy subject. That was perhaps a somewhat artificial definition, but it was devised, of course, with the principal object in view of roping in all the German and Austrian firms who had been carrying on business here. It has now been found necessary for the purpose of this Bill to define the term "enemy," and accordingly clause 2 of the Bill provides that "enemy," excepting in that one term "alien enemy," which is still kept, means any natural person who is treated as an enemy by the law, any corporation which is treated as an enemy by the law, and any firm or other body any member of which is an enemy. In other words, enemy means, first of all, a person resident or carrying on business in enemy territory; secondly, corporations carrying on business in enemy territory; thirdly, corporations established in enemy territory, and, fourthly, any firm or body which has one of its members an enemy. The term "enemy subject" is of course quite sample. It means the subject of a State for the time being at war with His Majesty's forces, and includes a corporation constituted according to the laws of that foreign State. A similar difficulty has arisen in England and has been commented on in the Courts. but I think that it is inevitable, and, as I say, the exercise of a certain amount of care in each case will trace it out, and it will be found that the confusion is apparent and not real.

Clauses 3 and 4 of the Bill give the Court wider power to stay legal proceedings brought against liquidators. Cases may arise in which justice could not be done if the case were heard during the war, owing, for instance, to the impossibility of obtaining evidence, and it seems desirable that the decision on such a point should rest with a judicial tribunal and not with the executive. It is possible that the Court already has inherent jurisdiction in the matter, but it seems advisable to give it express jurisdiction.

Clauses 5 and 6 are intended to dispel possible

doubts as to the existence of powers which have been, or may have to be, assumed. It will be noticed that the liquidators are declared to have power to transfer the property of the persons whose affairs they are winding up whether they can or can not produce the documents of title relating to such property.

Clause 8 provides that liquidators shall be at liberty to distribute the assets in the first instance on the footing that no interest accrues on any debt after the commencement of the winding up. This provision has been borrowed from the law relating to bankruptcy. The clause does not take away the right of the creditor to interest, if his debt carries interest, and any surplus assets may be applied in payment of such interest. The rights of secured creditors are saved.

Clause 10 has been the subject of a good deal of discussion and negotiation. It introduces a power of disclaimer, modelled on the power of disclaimer in bankruptcy, which may be made use of in the case of any leases which the liquidators have been unable to deal with otherwise. Any person injured by the disclaimer will be treated as a creditor of the alien enemy to the extent of such injury, and a right to obtain the decision of the Court on the amount of damage suffered is recognised. It will be noticed that sub-clause (3) provides that where a liquidator has sublet the premises with the consent of the lessor the latter shall not be entitled to distrain on such premises except for the rent payable under the sub-lease, and shall not be entitled to re-enter except for breach of some covenant contained in the sub-lease.

Clause 11 provides machinery for compelling secured creditors to realise their securities. On such realisation the secured creditor is to retain the amount to which he is entitled under the terms of the security and is to pay the balance to the liquidator. In case of dispute as to the amount of which the secured creditor is entitled the latter has a right to a decision of the Court on the point. It is, of course, possible that in some cases, owing to contingent liabilities, it will not be possible at present to define exactly the amount to which the secured creditor is entitled, and in such cases it may be necessary that the total proceeds

should continue to be held by the secured creditor, if the total liability, ascertained and contingent, exceeds the amount of the proceeds.

Clauses 13 to 17 are intended to prevent any immovable property sold in the liquidations from passing under the control of persons who now are enemies or enemy subjects. A reference to the definition in clause 2 will show that "prohibited control" is defined so as to include control after the conclusion of peace by persons who are now enemies or enemy subjects. Both that term and the term "corporation under enemy control" have been defined as widely as possible in order to include every possible form of control by or on behalf of persons who are now enemies or enemy subjects. Clause 13 prohibits liquidators from transferring property to prohibited control. Clause 14 provides for statutory declarations being made to enable liquidators to test the *bonâ fides* of intending purchasers. The form of these declarations are given in clause 22. Clause 15 prohibits purchasers of immovable property from the liquidators from transferring such property to prohibited control without the permission of the Governor. It also provides that any person contravening the provisions of the section shall forfeit to the Crown the sum of \$50,000. The reference to the permission of the Governor is intended to meet difficulties which might otherwise arise hereafter on the transfer of immovable property sold in the liquidations, as no doubt a time will eventually arrive when it will be very difficult to ascertain whether a sale will not involve a transfer to prohibited control as defined in this bill. In such cases the prohibited control suspected may be merely technical and of no practical importance, and it would seem undesirable that vendors should be unable to sell except at a depreciated price and at the risk of committing a technical offence, and equally undesirable that purchasers acting on all good faith should have to take property with a technical flaw in the title. Probably in such cases after due enquiry the Governor's permission would be given to the transfer. Clause 16 provides for the forfeiture of immovable property sold in liquidations which comes under prohibited control. Clause 17 gives the Governor power to require particulars for the purpose of enabling him to ascertain whether any such property is under prohibited control.

Clause 18 deals with the question of trade marks belonging to alien enemies. Now that the liquidations are coming to an end and the control of the liquidators for all practical purposes will soon cease it has become necessary to make some other provision in order to retain Government control over these marks and to prevent their appropriation by unauthorised persons in a way which might lead to deception or confusion. Up to the present the control by the Government has been exercised through the liquidators; in future it will be exercised through the Custodian. The method adopted is to vest the trade marks in the Custodian together with the goodwill of the trades in which they were used. This has been suggested by His Majesty's Government, who have given the subject very careful consideration. It is also necessary to provide for the keeping of these marks on the register because when the liquidators have paid in all their surplus assets to the Custodian they will have no funds from which to pay renewal fees. This point is dealt with by providing that none of these marks shall be removed from the register for non-payment of renewal fees except by order of the Governor, and it is also provided that any such marks which have been removed for non-payment of renewal fees shall be restored to the register.

Clause 19 provides that the validity of acts done by liquidators is not to be questioned on the ground that at the time when the act was done the person whose affairs are being wound up was not an alien enemy, or had died, or, in the case of a corporate body, had ceased to exist.

Clause 20 provides that no legal proceeding of any kind shall be brought against any liquidator or public officer, except with the permission of the governor, in respect of any act or omission connected with any winding up under the Alien Enemies (Winding-up) Ordinances.

Clause 21 provides that the provisions of the Alien Enemies (Winding-up) Ordinance shall continue for such period after the conclusion of the war as may seem proper to the Governor. This will provide an interval during which the whole position, here and in other parts of the Empire and in enemy countries,

may be considered, and no doubt the way in which the assets here will be dealt with will partly depend on how British property has been dealt with by the enemy. I now beg to move the second reading.

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 18, "Goodwill and trade marks vested in Custodian,"

HON. MR. HOLYOAK said—I would suggest that in place of the words "vested in the Custodian of enemy property as from the commencement of this Ordinance," the following words should be substituted:—"And shall continue vested in him and shall not be assignable or transferable by him to any present enemy subject for a period of ten years from the commencement of the Ordinance." I think that will have the effect of preventing the return of the trades marks in question to our enemies should they return to us, which we all hope will not be the case. This is really asking for no more than is granted in Clause 13, where immovable property is not to be returned to the enemy. The net result of it would be to do away with such trade marks for ever.

THE ATTORNEY-GENERAL—The two cases, if I may say, so, are not analogous. In the case of immovable property, the property is sold and the proceeds are held on behalf of the former owners. What will become of these proceeds will depend on the whole position at the end of the war, but in the meantime they are held on behalf of the former owners. The provisions to which the hon. members refers only prohibit the former owners from acquiring these particular leaseholds again. In the case of trade marks, if the Ordinance were to provide that the marks should not be transferred to anyone for 10 years, it would mean that the marks would be destroyed. The one case is a case of confiscation or destruction of property; the other is only a case of prohibition against the acquirement of particular property. That is one answer to what the hon. member said. The substantial answer is that the amendment would tie the hands of this Government and of the Imperial Government, who would not be able to deal with these rights, as no doubt they will wish to deal with them, upon a general consideration of the position here and in other parts of the British Empire

and in Germany. Of course, there are many British trade mark rights in Germany and that fact must be taken into account in dealing with enemy trade mark rights here.

I do not think, Sir, that it would be safe to accept the suggested amendment.

HIS EXCELLENCY—I am afraid I cannot accept the amendment, for the reasons which the Attorney-General has pointed out.

HON. MR. HOLYOAK—Then I must move the suggestion as an amendment to the heading of Clause 18. I realised that it was possible that the Government would not see its way clear to accept the amendment, just as it could not see its way clear to accept the original one proposed by me. But I press for it because I know that it is the wish of the mercantile community here that these trade marks should be destroyed, and as our only way of meeting the Government in public meeting is in the Legislative Council, so I have voiced their views on the subject. I now move the amendment to the Clause. It has been stated that it would destroy the marks; that is precisely what we desire to achieve.

HON. MR. ANTON—I beg to second Mr. Holyoak's amendment.

HIS EXCELLENCY—I am sorry hon. members are pushing this question. If the question applied to Hongkong alone it would be quite simple, but, as the Attorney-General has indicated, it is a much larger question. It is a question of Imperial policy, and it seems somewhat unreasonable that the mercantile community of Hongkong, for whom Hon. Members have just spoken, should expect that their desire should override the carefully thought out policy of His Majesty's Government, not only for Hongkong but for the whole of the British Empire.

Council then voted on the amendment. All the unofficial members voted for the amendment, and all the official members voted against it, and the amendment was thus declared lost.

On Council resuming,

THE ATTORNEY GENERAL moved that the Bill be read a third time.

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

### Protection of Women and Girls

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, "An Ordinance to amend further the Protection of Women and Girls' Ordinance, 1897." In doing so he said:— The Bill deals with the offence of harbouring or receiving women or girls brought into this Colony, by force or by fraud, and girls taken out of the care of their parents or guardians. The existing law has been found inadequate for the purpose of dealing with the serious offence of the abduction of unmarried girls. This is due to two reasons. In the first place the present section applies only where the girl has been *taken* out of the possession of her parent or guardian. It is believed that many girls get lost or run away from their homes and are then picked up by the abductors. In the second place it is necessary under the existing law for the prosecution to prove that the accused knew that the girl had been taken away from her parent or guardian against the will of the parent or guardian. This is generally very difficult to prove. The girl is generally either an unintelligent or an unwilling witness, and the facts relating to her leaving her home are often known to no one in the Colony except to herself and to the accused. Clause 3 of the bill alters the law on these two points. It makes it an offence to harbour an unmarried girl who has left her parents or guardians without their consent, as well as to harbour a girl who has been taken out of the possession of her parents or guardians. It also throws on the accused, once it is proved that he knowingly harboured the girl, the onus of proving that he did not know that she left her parent or guardian without the consent of the parent or guardian. It has also been thought advisable to raise the age in the case of this offence to 21 years. This amendment, by clause 5 of the bill, is also made in section 26 of the principal Ordinance. The age is also raised to 21 in the case of offences under sub-section (1) of section 4 of the principal Ordinance. The opportunity has been taken to transfer paragraph 2 of section 18 of the principal Ordinance to section 19. I now beg to move the second reading.

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 then read a third time and passed.

Council adjourned until the 5th April.

### FINANCE COMMITTEE.

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

### Kowloon-Canton Railway

The Governor recommended the Council to vote a sum of ninety-seven thousand eight hundred and sixty-four dollars and eighty-nine cents (\$97,864.89) in aid of the vote Kowloon-Canton Railway, Special Expenditure, Goods Examination Shed at Kowloon Station.

THE CHAIRMAN — This building has been necessary owing to the expected increase of the goods traffic in the railway under a contract which has been made for carrying goods. It was brought before the Public Works Committee, and the Council agreed to recommend that it be approved.

The vote was agreed to.

The Governor recommended the Council to vote a sum of four thousand six hundred and seventy-three dollars and seventy-nine cents (\$4,673.79) in aid of the vote Kowloon-Canton Railway, Special Expenditure, Building Coaches.

THE CHAIRMAN—This is a re-vote of a sum which was provided last in the year 1915 for the coaches, but there was a delay in the delivery, and it

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now been possible to complete the building of them. The balance due is the sum mentioned in the financial minute.

The vote was agreed to.

#### **Military Expenditure**

The Governor recommended the Council to vote a sum of seven thousand and forty dollars (\$7,040) in aid of the vote Military Expenditure, *B.*—Volunteers, Other Charges, Volunteer Reserve, Capitation Grant.

THE CHAIRMAN—This is also a re-vote, from last year. The accounts for the Hongkong Volunteer Reserves during last year were kept by the Adjutant of the Volunteer Corps, and the sum in the 1916 estimates, \$15,760, was provided for the capitation grant, and a bonus grant to the Reserves, and of this sum only \$9,750 was transferred to Deposits not Available, on account of 390 men fixed at \$25 per man. This special grant was not applied for by the

Adjutant of the Reserves, and, is not available now, as we are in another year. Therefore, this re-vote is asked for.

The vote was agreed to.

#### **Kowloon Improvement**

The Governor recommended the Council to vote a sum of fourteen thousand five hundred dollar (\$14,500) in aid of the vote Public Works, Recurrent, Kowloon, Communications, Improvements to Roads and Bridges.

THE CHAIRMAN—This sum is a sum involved in carrying out the work of making the road at the temporary junction of the two portions of Nathan Road, and it is the decision of the Public Works Committee in answer to the petition of the inhabitants of Kowloon.

The vote was agreed to.