

*2nd May, 1951.*

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**PRESENT:**

HIS EXCELLENCY THE GOVERNOR

SIR ALEXANDER WILLIAM GEORGE HERDER GRANTHAM, K.C.M.G.

HIS EXCELLENCY THE COMMANDER BRITISH FORCES

LIEUTENANT GENERAL SIR ERIC CARDEN ROBERT

MANSERGH, K.B.E., C.B., M.C.

THE HONOURABLE THE COLONIAL SECRETARY

MR. JOHN FEARNIS NICOLL, C.M.G.

THE HONOURABLE THE ATTORNEY GENERAL

MR. JOHN BOWES GRIFFIN, K.C.

THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS

MR. RONALD RUSKIN TODD.

THE HONOURABLE THE FINANCIAL SECRETARY

SIR CHARLES GEOFFREY SHIELD FOLLOWS, C.M.G.

DR. THE HONOURABLE ISAAC NEWTON

*(Director of Medical and Health Services).*

THE HONOURABLE PATRICK CARDINALL MASON SEDGWICK

*(Acting Chairman, Urban Council).*

THE HONOURABLE THEODORE LOUIS BOWRING, O.B.E.

*(Director of Public Works).*

THE HONOURABLE CHAU TSUN-NIN, C.B.E.

DR. THE HONOURABLE CHAU SIK-NIN, C.B.E.

THE HONOURABLE LEO DIALMADA E CASTRO, K.C.

THE HONOURABLE PHILIP STANLEY CASSIDY.

THE HONOURABLE CHARLES EDWARD MICHAEL TERRY.

THE HONOURABLE LO MAN WAI, O.B.E.

THE HONOURABLE LAWRENCE KADOORIE

MR. ROBERT WILLIAM PRIMROSE *(Deputy Clerk of Councils).*

**MINUTES.**

The Minutes of the meeting of the Council held on 18th April, 1951, were confirmed.

**PAPERS.**

THE COLONIAL SECRETARY, by Command of His Excellency the Governor, laid upon the table the following papers: —

<i>Subject</i>	<i>G.N. No.</i>
Fourth Annual Report of the Hong Kong War Memorial Fund Committee, 1950.	
Defence (Finance) Regulations, 1940.	
Possession of Gold (Goldsmiths) (Amendment) (No. 4) Order, 1951 .....	A. 71
Defence Regulations, 1940.	
Price Control Order, 1946—Amendments to the Schedule .....	A. 72
Quarantine and Prevention of Disease Ordinance, 1936.	
Declaration under section 18 .....	A. 73
Removal of quarantine restrictions imposed against the United Kingdom on account of smallpox .....	A. 74
Revised Edition of the Laws Ordinance, 1948.	
Amendments to regulations .....	A. 75
Emergency Regulations Ordinance, 1922.	
Emergency (Exportation) (Miscellaneous Provisions) Regulations, 1951 .....	A. 76
Defence Regulations, 1940.	
Price Control Order, 1946—Amendments to the Schedule .....	A. 77

**CONTROL OF PUBLICATIONS CONSOLIDATION****BILL, 1951.**

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to amend and consolidate the law relating to the printing, publication, sale, distribution, importation, control, registration and licensing of newspapers and other printed matter and to the control of printing presses and news agencies". He said: Sir, this Bill as in the hands of Honourable Members is

accompanied by extensive Objects and Reasons and a comparative table. It can be seen to be primarily a rearrangement of the Colony's existing substantive law governing the topic of newspapers, printers, publishers and printing presses. The rearrangement aims at the setting out of that law in more convenient form, notably by leaving to Regulations matters of administration which are more conveniently dealt with in that form, while unloading such detail from the governing Ordinance itself. Broadly, it can be stated that except for provisions relating to news agencies and news agency bulletins, there is, with the exceptions to which I will now refer, no change of a controversial character contemplated by this Bill from the position obtaining at the present time.

First of all, Sir, I will refer to clause 4 of the Bill. Honourable Members will see that the clause makes provision in circumstances there set out for the suppression of newspapers and for suspension of publication. Now, Sir, it is the case that a similar provision does not exist in the present substantive law of the Colony. In fact, however, by Emergency Regulations enacted in 1938 power was given to the Governor in Council to suppress for such period as he may think fit or until further order, the printing and publication of any newspaper. That Regulation enacted, as I have said, in 1938 continued in force until December, 1949. Notwithstanding that that Regulation was in existence until that fairly recent date, it is the case that the Regulation was employed only on one occasion since 1945. It was so employed in 1946 and the suppression then ordered of a certain newspaper continued in force for a very short time. But Honourable Members will not suppose that within recent years there were no further occasions which can be said to have given justification for the application of that power to suppress a newspaper. There were, in fact, a number of such occasions. That no such action was taken is to be ascribed to the fact that it is accepted by all that the suppression of a newspaper is a serious step—a serious step to take—since it can in fact or in appearance result in an interference with the liberty of the press and the liberty of expression which is jealously guarded, and rightly so, in the free world.

But, Sir, this attitude can produce the paradox that for the reason that a high degree of tolerance and latitude must be accepted in furtherance of the freedom of the Press and freedom of expression, the result can evolve of abuse of such attitude producing indulgence in licence rather than liberty.

Now, Sir, experience during recent years while, as I have indicated, producing little or no action by way of a suppression of any newspaper, has at least afforded opportunity to weigh a decision as to whether tendencies in abuse of the liberty of the Press are merely transitory and to be ascribed to unsettled world political conditions of recent years, or whether such a tendency will show itself from time to time even in settled conditions. The view has been reached that the tendency would always, in the foreseeable future, exist whatever the conditions.

For that reason, Sir, it seems best that there should be included in the substantive law of the Colony a power to suppress or suspend a newspaper, provided that power is suitably hedged with safeguards. Clause 4 of this Bill is designed to meet that requirement.

I suggest, Sir, that Honourable Members will wish to weigh the provisions of that clause with particular care. If that be done, I submit that it will become apparent that there can be no justification for any suggestion that the law is about to include a power which, by arbitrary exercise, can really endanger the true liberty of the Press and liberty of expression. A dissection of clause 4 will, I hope, make my meaning abundantly clear. It will be seen that the suppression of a newspaper cannot result, as it could under the Regulations which I have quoted, in suppression of a newspaper by executive action.

Under clause 4, Sir, suppression or suspension can only result upon various stages of a process being surmounted. In the first place, and most important of all, no suppression can occur until a printer, publisher or editor of an offending newspaper has been not only prosecuted, but found guilty of committing an offence of the nature indicated in clause 4. Next, if, and only if, a successful prosecution does not suffice to deal with the matter, there must be a formal application by the Attorney General to the Supreme Court or to a Magistrate, and consequentially there must be a decision of the Supreme Court or magistrate to grant the application. The clause provides for only one example of any shortening of the process I have described. It so provides in clause 4(2). Under that provision it will be possible for application to be made to a Magistrate for a suspension of a publication while a prosecution of a printer, publisher or editor is pending. It will be appreciated, I suggest,

that such a provision may in special circumstances be very necessary since it would be strange indeed that publication of matter which justifies a prosecution should in all cases continue while the outcome of a prosecution is being determined.

I hope, Sir, that I have said enough to explain the necessity for, and the limits of, the power which it is proposed by clause 4 to include in our substantive law. It suffices perhaps to add in regard to both clauses 3 and 4 that the provisions proposed have the further merit that, in compact form, all who have the responsibility for the control of newspapers can see before them the class of offence which can be committed under the general law at the present date and which, if committed, can render the person responsible liable to prosecution. The provisions so set out in convenient form provide a guide as to the limits within which the true exercise of the liberty of the press and of expression can proceed.

Sir, there is one other clause, clause 6, which comes within the range of the controversial. That clause provides that it shall be an offence against this Ordinance maliciously to publish in any local newspaper false news which is likely to alarm public opinion or disturb public order. This is admittedly an important provision, the application of which will call for the exercise of extreme deliberation. In fact, Sir, the clause recognizes this necessity since it requires that no prosecution for an offence may be instituted without the consent in writing of the Attorney General. Nevertheless it is, I suggest, a clause which no newspaper which discharges its onerous duties with a sense of responsibility need fear. The inclusion of the provision is however proposed because experience has shown the necessity for it. Examples within recent years have been quite numerous, and very recently more numerous still, of the publication in a local newspaper of false news which has occurred merely in the interests of sensationalism or in the interests of market manipulation. In fact, Sir, there has been more than one recent example where a prosecution for a public mischief would have been justified. It is admittedly the case that a newspaper always goes to press in a state of urgency and that the service of the press to the public demands the announcement without undue delay of all factual news, but it is the case that irresponsible journals have little regard for the need to check on rumour brought to them so that they can have the edge (as the saying goes) on newspapers which accept a higher responsibility.

Clause 6, if enacted, should serve to confirm the existence of the offence of causing a public mischief and to remind certain elements of the press of an obligation to check up upon information which, if published, is likely to alarm public opinion or disturb public order. This provision may therefore, I suggest, be accepted as blunting the edge which irresponsible papers have hitherto enjoyed by making more possible prosecution for an offence of causing public mischief where public opinion or public order have been disturbed by irresponsible publication of untrue, imaginary and unchecked facts.

Sir, there is one further matter to which I think it is necessary for me to refer at this stage. Clause 16 of the Bill gives the Governor in Council a power to make regulations. Among the subjects upon which regulations may be made, clause 16(1)(c) gives a power to make regulations for the accreditation of press representatives. The origin of this provision lies in the fact that at the present time the issue of passes or other means of identification of press representatives is carried on in an informal manner. Experience has shown that frequently passes issued by the Public Relations Office are not returned when the holders have no further use for them, that they are sometimes transferred to persons who are not representatives, and by them are abused and that forgeries of such passes have occurred. Being passes which are issued without legislative authority or backing, it is not easy or even possible to enforce due control in regard to them. Consequently by the provision I have quoted it is intended that the Governor in Council may make regulations in this matter. However, I would mention at this stage that further consideration of this provision has led to the decision that no present necessity exists to require any formal accreditation of press representatives nor, on further reflection, is it considered on present experience to be necessary that a press representative should arm himself with an official pass.

Accordingly, Sir, upon the committee stage being reached I intend to move an amendment to clause 16(1)(c) to provide merely that regulations may be made regarding the identification of press representatives and the issue to them upon request of passes.

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

*Objects and Reasons.*

The "Objects and Reasons" for the Bill were stated as follows: —

At the present time the law of the Colony governing publications, the printing of newspapers and the keeping and use of printing presses is contained in the Printers and Publishers Ordinance, 1927 (Ordinance 25 of 1927), the Prohibited Publications Ordinance, 1938 (Ordinance 14 of 1938) and the Chinese Publications (Prevention) Ordinance, 1907 (Ordinance 15 of 1907).

2. The principal item of legislation is Ordinance 25 of 1927. It requires that all newspapers be registered and sets out the details governing such registration. It provides, for instance, that registration of a newspaper be preceded by a deposit of \$3,000 or equivalent bond. That Ordinance also requires the licensing of printing presses and empowers the cancellation of printing press licences by Order of the Governor in Council after opportunity has been given to show cause against cancellation. The Ordinance contains further matter of detail. For instance, provision requiring the printing of printers' names and addresses on printed documents and the delivery of copies of newspapers to the Registrar of Newspapers appointed under the Ordinance. Ordinance 14 of 1938 gives power to prohibit the importation of specific publications and powers of search and detention in connexion with publications imported contrary to prohibition. Ordinance 15 of 1907 is a short Ordinance, which has outlived its utility.

3. The legislation, details of which have been summarized above, contains no provision giving power to suppress or suspend a newspaper. This power (exercisable under safeguards) is shown by experience to be necessary on occasion. In Hong Kong that power which has been most rarely applied has hitherto been afforded by the enactment of regulations under the Emergency Regulations Ordinance, 1922. For instance, a power to order the suppression of a newspaper was afforded by regulation 24 of Emergency Regulations enacted in 1938 (G.N. 775/38). Those regulations have been repealed and have been replaced by more comprehensive regulations in Part II of the Emergency (Principal) Regulations, 1949 (G.N.A. 277/1949) which, although enacted, are not in fact in force at this date.

4. The main object of this Bill is to consolidate and amend the law as now provided by Ordinances 25 of 1927 and 14 of 1938 and by emergency regulations. In so doing the Bill seeks—

- (a) to relegate to regulations matters concerning newspapers, printing presses and printed documents more suitably dealt with in that manner rather than by provision in the governing Ordinance (Clause 16 and Second Schedule, Parts I, II, IV);
- (b) to make specific provision hitherto lacking for the registration and other control of news agencies and news agency bulletins, (Clause 16 and Second Schedule Part III); and
- (c) to make provision in the substantive (as distinct from emergency) law to enable suppression or suspension of newspapers to be ordered in exceptional circumstances and under suitable safeguards.

5. The provisions giving effect to the last named objective constitute an important feature of the Bill. The relevant clauses are clauses 3 and 4. As to clause 3, prohibition is made against the printing or publication of any publication as defined (clause 2) which contains representation calculated to persuade or induce any person—

- (a) to commit an offence; or
- (b) to become a member of or recruit for any unlawful society or any political party, adherence to which within the Colony has been declared by any enactment to be prejudicial to the order and safety of the Colony.

As to clause 4: A power to suppress or suspend a newspaper has been found necessary in relation to sections of the press which lack responsibility. In this Colony it is a power which has been sparingly used. It is considered, however, that such a power must be afforded by the law in case of need. Nevertheless, except during a period of serious emergency a power of suppression, which is not exercisable on specific grounds and which is exercisable administratively, is open to objection. It is accordingly proposed (clause 4) to render such power exercisable by the Supreme Court or a magistrate upon application. The clause provides that suppression may be ordered only for a period not exceeding 6 months and stipulates that the power be exercisable only if the printer, publisher or editor of a newspaper is convicted of certain specific offences in respect of anything published in such newspaper. In certain cases, however, it would be imperative that some interim action should be taken



before determination of trials upon prosecution for those offences. In such cases the clause (clause 4) would empower a magistrate, upon application, to suspend publication of a newspaper or to prohibit publication relating to specific topics by such newspaper. Examples of cases wherein the powers proposed by clause 4 might be invoked are those where the offence alleged is an offence of a nature specified in clauses 3 and 6 and in the First Schedule to the Bill.

6. As to clause 6: It will be seen that the Bill makes it an offence maliciously to publish false news which is likely to alarm public opinion or disturb public order. The application of this provision is however subject to prior consent to prosecution being given.

7. Apart from the items specifically above mentioned, the Bill in general reproduces in rearranged form the provisions of Ordinances 25 of 1927 and 14 of 1938 above quoted. It has done so to the extent indicated in the Table of Comparison which is attached to these Objects and Reasons. It is noteworthy, however, that—

- (a) the definition of "newspaper" (clause 2) has been considerably widened;
- (b) the definition of "printing press" has been narrowed; and a definition of "pamphlet" has been included;
- (c) the provisions of sections 3, 4 and 5 of the Prohibited Publications Ordinance, 1938, have been reproduced by clause 5 of the Bill, but with modifications of which perhaps the most important is that upon enactment it would be possible to prohibit the importation of publications of a particular kind or character and not merely specific and named publications as hitherto;
- (d) the power to make regulations has been widened and matter, mainly of detail, relating to the registration of newspapers and licensing of printing presses which are now contained in the Printers and Publishers Ordinance, 1927, have been incorporated in regulations contained in the Second Schedule to the Bill. Among them the News Agencies Registration Regulations, 1951, are of special interest since they concern the registration of news agencies, as to which there has not hitherto been any specific control. These regulations appear in part III of the Second Schedule to the Bill.

**INLAND REVENUE (AMENDMENT) BILL, 1951.**

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance further to amend the Inland Revenue Ordinance, 1947". He said: Sir, this Bill has as to its objects been explained in broad outline in paragraph 1 of the Objects and Reasons published with the Bill, and in the remaining paragraphs of the Objects and Reasons the objectives of the Bill have been explained in some detail. I feel, Sir, that little useful purpose will be served by me in adding comment at this stage.

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

*Objects and Reasons.*

The "Objects and Reasons" for the Bill were stated as follows: —

1. The Inland Revenue Ordinance, 1947 (the principal Ordinance) has now been in force for four years. Practical application of its provisions during this period has revealed certain loop-holes, anomalies and inconsistencies. This Bill therefore seeks, by amendment of the principal Ordinance, to remedy such defects.

2. Section 12(3) of the principal Ordinance provides that where income chargeable to Salaries and Annuities Tax has commenced to be received during the year prior to a year of assessment, the assessable income for that year of assessment shall be the income arising in one year from the date of first receipt. Section 19(4) of the principal Ordinance contains an analogous provision in the case of Profits Tax. The result has been that on occasion persons have been charged to tax, in respect of their first two years of assessment, (and sometimes three years in the case of Profits Tax) on amounts considerably in excess of their actual earnings or profits during those years. Clauses 2(a) and 4(a) therefore amend the above subsections of the principal Ordinance to allow earnings and profits for those years to be adjusted to the actual figures.

3. Section 12(4) of the principal Ordinance provides that where cessation of income occurs during any year of assessment, the assessable income for that year shall be the income earned during that year up to the date of cessation and NOT (as normally is the case) that earned during the whole of the previous year. Section 19(5) of the principal Ordinance contains a similar provision

in the case of profits. The consequence is that a person may, by leaving the Colony or by closing down his business, escape taxation completely in respect of the income or profits of the previous year. Clauses 2(b) and 4(b) seek by amending the above subsections to introduce a modification of the present rule. They accordingly provide that where the income or the profits of the year before the year of assessment in which cessation occurs exceed the assessment for that previous year, an additional assessment shall be made, thus making the total assessment for that previous year correspond with the actual income or profits for that year.

4. By section 16 of the principal Ordinance the Commissioner of Inland Revenue must aggregate the profits made by the owner of the controlling interest in two or more businesses. He can only do this if he is aware that a person is such an owner. Clause 3 amends this section by transferring to the owner of such interest the duty of aggregating the profits.

5. Section 27 of the principal Ordinance is designed to avoid a double charge in respect of the dividends of a corporation. Clause 5 repeals and replaces this section and in so doing provides also for the avoidance of a double charge in other cases, for instance, a corporation carrying on, alone or jointly with another person, an unincorporated business or venture or concern in the nature of trade, and also joint ventures between persons where such ventures are themselves assessable.

6. Chapter VI of the principal Ordinance permits of certain allowances being made for depreciation. Clause 6 by amendment of section 37 of the principal Ordinance, gives a more liberal interpretation to the definition of industrial buildings, so that buildings only partly industrial and buildings in use for the purpose of housing manual workers will in future qualify for depreciation allowance. The amendment made by Clause 7 to section 38 is for the purpose of clarification, *i.e.* that it is the owner who can claim an allowance for depreciation of machinery or plant.

7. Sections 42 and 43 of the principal Ordinance permit individuals resident in the Colony to elect to be personally assessed on their total income and provide for allowances for certain dependents of individuals who make such election. Clause 8 replaces the existing definition of "individual" contained in section 42 so as to allow a married woman whose husband is not resident in the Colony to claim personal assessment. It also

allows a minor, in certain circumstances, to claim personal assessment. The amendment to section 43, contained in clause 9, is made to correct an anomaly in the law. At present a recently married man arriving in the Colony may be assessable on his wife's earnings, but is only allowed the exemption of a single person if he was married after the beginning of the year of assessment. The amendment will allow him to obtain the normal allowance in respect of his wife.

8. Under section 61 of the principal Ordinance, an assessment cannot, except where there is wilful evasion, be made later than three years after the year of assessment in which the return was due to be furnished. Thus if a person fails to furnish a return, no assessment can be made after the end of that period. Clause 10 amends this section to allow assessments to be made up to three years after the year of assessment in which the return was in fact furnished. This amendment will thus curtail the possibility of defaulters evading tax by not lodging returns.

9. The amendments to the principal Ordinance contained in the Bill are designed to come into force at the beginning of the year of assessment 1951/52 and will apply only to assessments made in respect of that and subsequent years [Clause 12]. There are two exceptions to this. The first is that the provisions enabling an additional assessment to be raised in respect of the year preceding that in which cessation of income or profits occurs will only be effective when cessation occurs in the year of assessment 1952/53 or subsequent years. The reason for this exception is that if these provisions were brought into force where cessation occurred in 1951/52, they might be open to objection as effecting retrospective taxation in that an additional tax assessment could be raised in respect of the year 1950/51. The second exception is that the new rule that an assessment can be made up to a period of three years after the year when the return was in fact made, applies as from 1st April, 1951, to any year of assessment. This is not considered to be open to objection as being retrospective taxation, because this exception imposes no new tax but merely seeks to ensure that defaulters do not escape the consequences of their own default in not furnishing returns.

**SUPPLEMENTARY LOAN PROVISIONS 1949-50.**

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved that the Supplementary loan provisions for the year ended 31st March, 1950, as set out in Schedule No. 1 of 1949-50, be approved.

He said: Your Excellency, the transfer of money between sub-items in the same item of the Loan Schedule and the carrying forward of unexpended balances on individual sub-items from one year to another are invariably submitted to Finance Committee for approval and all the items on this schedule have been so approved. They are moreover reflected in the revised schedule or loan expenditure appearing in the printed estimates for the following year. Colonial Regulations however require that these transactions should also specifically receive the approval of the legislature and the sanction of the Secretary of State. The schedule of transfers and carry-forwards in respect of the financial year 1949/50 is therefore submitted for formal approval.

THE COLONIAL SECRETARY seconded, and the Motion was carried.

**PUBLIC WORKS (CAUSEWAY BAY) BILL, 1951.**

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to authorize the construction of a breakwater over and upon the sea bed in Causeway Bay".

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

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

Council then resumed.

THE ATTORNEY GENERAL reported that the Public Works (Causeway Bay) Bill, 1951, had passed through Committee without amendment, and moved the Third reading.

THE COLONIAL SECRETARY seconded, and the Bill was read a Third time and passed into law.

**PUBLIC RECLAMATION AND TYPHOON SHELTER  
(CAUSEWAY BAY) BILL, 1951.**

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to authorize an undertaking for the reclamation of an area of sea bed and foreshore and for the construction of a typhoon shelter at Causeway Bay".

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

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

Council then resumed.

THE ATTORNEY GENERAL reported that the Public Reclamation and Typhoon Shelter (Causeway Bay) Bill, 1951, had passed through Committee without amendment, and moved the Third reading.

THE COLONIAL SECRETARY seconded, and the Bill was read a Third time and passed into law.

**HONG KONG HOUSING SOCIETY INCORPORATION  
BILL, 1951.**

HON. P. S. CASSIDY moved the First reading of a Bill intituled "An Ordinance to provide for the incorporation of the Hong Kong Housing Society". He said: Your Excellency, three years have elapsed since this Society was formed to find ways and means of developing housing schemes for the lower income group on an economical scale. The Society has now been entrusted by Government, subject to the approval of the Secretary of State, with a pilot scheme in the Sheung Li Uk district of New Kowloon. This, it is hoped, will be financed by grants from the Colonial Development & Welfare Funds. In view of the responsibility which the Society is about to undertake it is desirable that it be incorporated and for that reason this Bill has been drafted to provide the requisite powers.

HON. CHAU TSUN-NIN, C.B.E., seconded, and the Bill was read a First time.

*Objects and Reasons.*

The "Objects and Reasons" for the Bill were stated as follows: —

1. The object of this Bill is to incorporate The Hong Kong Housing Society.

2. The Society has existed since April, 1948 as a purely social welfare and non-profit making body. Its aims and objects are to provide, found, secure, promote, encourage and operate housing and its associated amenities on such economic basis as is suitable for persons of small income in the Colony of Hong Kong.

3. It is provided by the Constitution of the Society that the income and property of the Society, whencesoever derived, shall be applied solely towards the promotion of the aims and objects of the Society as set forth herein; and no portion thereof shall be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to the members of the Society, but there is nothing therein provided which prevents the payment, in good faith, of remuneration to any officer or servant of the Society, or to any member of the Society in return for any services actually rendered to the Society, or the payment of interest at a rate not exceeding the current rate chargeable by bankers in the Colony on money lent, or reasonable and proper rent for premises demised or let by any member to the Society.

4. It is also provided in the Constitution of the Society that in the event of its winding up, its assets, if any, after the satisfaction of all its debts and liabilities, shall not be paid to or distributed among the members of the Society, but shall be given or transferred to some other institution or institutions, having aims and objects similar to the aims and objects of the Society, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Society under or by virtue of the provision aforesaid, such institution or institutions to be determined by the members of the Society at or before the time of dissolution, or in default thereof by a judge of the Supreme Court having jurisdiction

in regard to charitable funds and if so far as effect cannot be given to the aforesaid provisions then to some charitable object.

5. The Hong Kong Housing Society, not being a corporate body, cannot hold any property in its own name, and it is, therefore, thought desirable that it should become a corporate body, in order to enable it to carry out its aims and objects more effectively.

### ADJOURNMENT.

H.E. THE GOVERNOR: —That concludes the business, Gentlemen. When is it your pleasure that we should meet again?

THE ATTORNEY GENERAL: —Sit, I propose this day fortnight.

H.E. THE GOVERNOR: —Council will adjourn to this day fortnight.

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