

HONGKONG.DESPATCH IN CONNECTION WITH COMPANIES ALTERING THEIR
MEMORANDA OF ASSOCIATION.

*Laid before the Legislative Council, by Command of His
Excellency the Officer Administering the Government.*

No. 130.

GOVERNMENT HOUSE,
HONGKONG, 3rd May, 1890.

MY LORD,

I have the honour to mention to Your Lordship certain facts in connection with an Ordinance which has lately passed the Legislative Council of this Colony, but to which, for the reasons hereinafter related, I have not given my assent.

2. The Ordinance in question is a Private Ordinance entitled *The Hongkong Land Investment and Agency Company Limited Ordinance, 1890*, the object of which is to enable the Company to transact business elsewhere than in this Colony, and to extend its powers of investments which under the present Articles of Association it is unable to do.

3. Notification of the intention to introduce the Ordinance was given in the *Government Gazette* in accordance with the Standing Orders of the Legislative Council and the Bill was duly published as required by the same.

On the 26th of March it was read a first time when no opposition to it was offered.

On the 5th of April it came on for second reading and passed through Committee. All proceedings connected with it were unopposed and nothing, except a verbal alteration, having been made in Committee it was, as permitted by the Standing Orders, read a third time and passed at this same sitting.

4. On the 11th of April I received a letter, of which I enclose a copy, from Mr. FRANCIS, Q.C., the leading Barrister here, requesting that for the reasons mentioned by him I should refuse to give my assent to the Ordinance. I referred this letter to the Attorney General and Mr. GOODMAN, in the opinion he gave, advised me to withhold my assent until I was satisfied that every Shareholder of the Company had expressed his willingness that the Bill should become law in its present shape.

I accordingly caused the substance of this opinion to be communicated to Messrs. WOTTON & DEACON, the Solicitors for the Company, and shortly afterwards addressed a letter, copy enclosed, to the Colonial Secretary.

Your Lordship will see from this letter the reasons why the Directors urge the desirability of passing such a law as the one in question and their references as to what has been done in England, and in the Straits Settlements in regard to the same question. The Directors ask in conclusion that the Ordinance which has passed the Council, but has not yet been assented to, be not further proceeded with and that in lieu thereof a new Bill be introduced on the lines laid down in the Report of the Select Committee a copy of which is annexed to the Secretary's communication. The Directors suggest, however, that before this is done I should communicate with Your Lordship on the subject.

Enclosure.

C. S. O. $\frac{875}{90}$.C. S. O. $\frac{375}{90}$.

Enclosure 3.

28th April, 1890.

C. S. O. $\frac{875}{90}$.Sub-enclosure to
Enclosure 3.

The Right Honourable

Lord KNUTSFORD, G.C.M.G.,

§c.,

§c.,

§c.

5. It is possible that during the last few months such a measure may have been passed by the Imperial Parliament as would form a model for similar legislation here. But should this not be the case I should be glad if Your Lordship would inform me whether there is any objection to the passing of an Ordinance in the direction pointed out by the Directors of the Company or, if this is not considered desirable, whether Your Lordship is of opinion that I should assent to the Bill which has been passed by the Colonial Legislature.

6. There is no doubt, as is indeed admitted by Mr. FRANCIS in his letter, that all the formalities required by the Standing Orders of the Legislative Council as affecting this measure have been fulfilled which are substantially the same as the requirements mentioned in Article XXIII of the Royal Instructions of the 19th of January, 1888.

7. I understand that the Directors of the Company in question are desirous that something should be done in the matter without delay and I should therefore be obliged if Your Lordship would communicate your decision to me as soon as convenient.

I have the honour to be,

My Lord,

Your Lordship's most obedient,

humble Servant,

F. FLEMING.

P.S.—Copy of the Ordinance above referred and copy of the Memorandum of Association of the Company are enclosed for Your Lordship's information.

Hongkong.
No. 126.

DOWNING STREET,
3rd July, 1890.

SIR,

I have the honour to acknowledge the receipt of your despatch No. 130 of the 3rd of May last, enclosing an Ordinance which has passed the Legislative Council, but has not received your assent, to give increased facilities to the "Hongkong Land Investment and Agency Company, Limited," and asking for my instructions as to the course of action which you should take thereon.

My opinion is that you should not assent to this Bill which will therefore remain inoperative. Nor should you assent to any future private Bill specially empowering this Company to alter its Memorandum of Association, but you should introduce a Public Bill similar *mutatis mutandis* to the Companies (Memorandum of Association) Bill copy of which I enclose, which has passed the House of Commons and is now before the House of Lords, and has been amended by the Standing Committee. If such an Ordinance is passed, the Company can proceed under it by special resolution to make the desired alteration of its Memorandum of Association, and apply to the Court, which in Hongkong would of course be the Supreme Court for an Order confirming it.

The alteration of the Articles of Association of the Company as to investment can be made under the existing law by special resolution.

I have the honour to be,

Sir,

Your most obedient humble servant,

KNUTSFORD.

The Officer Administering the Government of
HONGKONG.