

10th July, 1947.

PRESENT: —

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT (MR. D. M. MACDOUGALL, C. M. G.)

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS (MAJOR-GENERAL G. W. E. J. ERSKINE, C.B., D.S.O.)

THE COLONIAL SECRETARY (HON. MR. R. R. TODD, *Acting*).

THE ATTORNEY GENERAL (HON. MR. J. B. GRIFFIN, K.C.)

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. B. C. K. HAWKINS, O. B. E., *Acting*).

THE FINANCIAL SECRETARY (HON. MR. C. G. S. FOLLOWS, C.M.G., *Acting*).

HON. MR. V. KENNIFF (Director of Public Works).

HON. DR. I. NEWTON (Acting Director of Medical Services).

HON. MR. D. F. LANDALE.

HON. MR. CHAU TSUN-NIN, C.B.E.

HON. MR. LO MAN-KAM, C.B.E.

HON. MR. LEO D'ALMADA E CASTRO.

HON. MR. R. D. GILLESPIE.

HON. DR. CHAU SIK-NIN.

HON. MR. M. M. WATSON.

MR. ALASTAIR TODD (Deputy Clerk of Councils).

ABSENT: —

HON. MR. T. MEGARRY.

MINUTES.

The Minutes of the meeting of the Council held on 3rd July, 1947, were confirmed.

PAPERS.

THE COLONIAL SECRETARY, by command of H.E. the Officer Administering the Government, laid upon the table the following papers: —

Amendments made by the Governor in Council under section 39(8) of the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, to Table U in the Regulations, dated 2nd April, 1947.

Additional items and amendments made by the Acting Director of Supplies, Trade and Industry under Regulation 50 of the Defence Regulations, 1940, to the Schedule to the Price Control Order, 1946, on 16th April, 1947.

The Meals and Intoxicating Liquors Tax Regulations, 1947, made by the Governor in Council under section 7 of the Meals and Intoxicating Liquors Tax Ordinance, 1946, Ordinance No. 31 of 1946, dated 19th April, 1947.

Amendment made by the Governor in Council under Regulation 12 of the Compensation (Defence) Regulations, 1940, to the notification made by the Acting Chief Civil Affairs Officer on 27th March, 1946, published in the Hong Kong British Military Administration Gazette of 6th April, 1946.

Order made by the Governor under Section 18 of the Quarantine and Prevention of Disease Ordinance, 1936, Ordinance No. 7 of 1936, declaring Saigon an infected place on account of cholera, dated 21st April, 1947.

Order made by the Governor under Section 18 of the Quarantine and Prevention of Disease Ordinance, 1936, Ordinance No. 7 of 1936, declaring Amoy an infected place on account of plague, dated 23rd April, 1947.

Additional items and amendments made by the Acting Director of Supplies, Trade and Industry under Regulation 50 of the Defence Regulations, 1940, to the Schedule to the Price Control Order, 1946, on 23rd April, 1947.

The Exports (Prohibited Destinations) Order, 1947, made by the Acting Director of Supplies, Trade and Industry under Regulation 50 of the Defence Regulations, 1940, on 19th April, 1947.

Additional items and amendments made by the Acting Director of Supplies, Trade and Industry under Regulation 50 of the Defence Regulations, 1940, to the Schedule to the Price Control Order, 1946, on 30th April, 1947.

The Barbados Widows' and Orphans' Pension Scheme declared an "approved scheme" for the purposes of section 3A of the Hong Kong Widows' and Orphans' Pension Ordinance, 1908, Ordinance No. 15 of 1908.

Order made by the Harbour Master under section 39(17) and (18) of the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, dated 2nd May, 1947.

Items added by the Acting Director of Supplies, Trade and Industry to the list of goods prohibited for export on 7th May, 1947.

Additional items added by the Acting Director of Supplies, Trade and Industry under Regulation 50 of the Defence Regulations, 1940, to the Schedule to the Price Control Order, 1946, on 7th May, 1947.

TRADE MARKS REGISTER (RE-CONSTRUCTION) BILL, 1947.

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to authorise and provide for the re-construction of the Register of Trade Marks formerly kept under the Trade Marks Ordinance, 1909, and to amend and modify the application of the said Ordinance." He said: The Bill is accompanied by comprehensive Objects and Reasons. It will perhaps suffice for me to remark that the subject of trade marks and registration of trade marks which has always been a complex subject has had such complexity increased where a situation occurs, as has occurred in this Colony, whereby the Register of Trade Marks and all records of the Registry of Trade Marks which were in the Colony before 1941 have been lost or destroyed during the enemy occupation. The Bill before Council is intended to meet such situation primarily by providing for the reconstruction of a register. The fundamental purpose to be achieved will be to make it possible for the proprietor of a trade mark registered pre-war to register once again in the new register to be opened under the Ordinance. The Bill provides for such matters as method of application for such re-registration. It also provides in a simplified form for opposition to registration. It deals with the difficulties which arise by reason of non-user of a mark and takes account for such purpose of the interval between December, 1941 and September, 1945. The Bill includes forms and rules so that within the same document there is set out the whole law and procedure to effect the purpose of re-registration of a mark upon the re-construction of the register.

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. During the Japanese occupation of the Colony the Register of Trade Marks and records of such Registry were lost or destroyed.
2. Trade Mark registration affords necessary protection to the proprietors of trade marks. It is necessary that statutory provision be made to enable proprietors to re-register.

3. In many cases proprietors will still possess the original certificate of registration. In other cases, the Gazettes will afford evidence of original registration or of renewal. It was not, however, the practice prior to 1936 to notify that registration had been effected and the mere fact that notice of an application for registration was gazetted did not mean that the application was successful. In such cases, it will, be necessary to adduce other evidence, principally statutory declarations.

4. Clause 3 of the Bill enables a proprietor of a trade mark registered in the Old Register to apply to the Registrar for registration in a Register which the Registrar will commence and keep for the purpose of complying with section 4 of the Trade Marks Ordinance, 1909. If registration be not so effected the trade mark will not be deemed to be a registered trade mark (Clause 7).

5. It is considered desirable to permit application for registration to be made *ex parte* and without any prior advertisement, thus placing the onus on a person alleging that the trade mark should not have been registered to apply for rectification. In order, however, to provide a cheap and expeditious method of rectification, the United Kingdom practice of allowing an applicant the option of going to the Registrar or to the Court has been adopted. For this purpose Clause 10 of the Bill repeals and re-enacts, with necessary modifications, section 35 of the principal Ordinance.

6. A period of two years from the commencement of the Ordinance is by the Bill afforded for registration as many trade marks originally registered from outside the Colony and correspondence and search may be necessary to procure the necessary evidence. Moreover, there may be cases where business in the Colony has not yet re-commenced.

7. Under the principal Ordinance, registration requires renewal every fourteen years. The registration of many trade marks must have become due for renewal in the last months of 1941 and also since the Trade Marks Registry last functioned, namely, the 6th December, 1941. In some cases, trade marks will have been removed from the Register and in other cases it will not be possible for the Registrar to give the notices prescribed by the Trade Marks Rules, 1910. It is considered that when a trade mark has been removed from the Register after the 6th December, 1941, the period between the 6th December, 1941, and the commencement of this Ordinance should be excluded from the period of one year after removal for the purposes of section 31 of the principal Ordinance under which a trade mark which has been removed from the Register is nevertheless deemed to be a registered trade mark for one year after removal. This will give proprietors of trade marks who have been removed some months in which to apply for restoration. Clause 8 (3) (a) of the Bill so provides. It is also provided by such Clause that in the case of trade marks, the registration of which became or becomes due for renewal before the commencement of the Ordinance introduced by the Bill, the same period (namely two years from the commencement

of the Ordinance) should be allowed for renewal as for registration under Clause 3. In such case registration and renewal shall be effected simultaneously and the Registrar shall demand payment of the renewal fee before effecting registration. The registration of trade marks may become due for renewal after the commencement of the Ordinance but before or shortly after their registration under Clause 3. In many cases, it will be impossible for the Registrar to give the notice required by Rule 58 of the Trade Marks Rules, 1910. Moreover, even if this be practical, it would be extremely burdensome for him so to do if such notice were required to be given within three months of registration being effected. The registered proprietor, having applied under Clause 3 for registration, will be aware of the date of expiration of the last registration. It is accordingly provided (Clause 8 (2)) that in such cases payment of the renewal fee shall be a condition precedent to registration. Clause 8 (5) provides for the exceptional case of registration being effected without renewal or without the prescribed renewal fee having been paid contrary to the provisions above described.

8. Clause 9 of the Bill makes provision for cases in which application for registration was pending in December, 1941. Owing to the lapse of time, it is considered desirable for a fresh application involving re-advertisement to be made. If granted, the registration will date back to the original application for all purposes, except for the purpose of being conclusive after seven years from such date. As there may well have been no user, and seven years from original application will soon elapse, registration in such cases will only be conclusive seven years after the commencement of the Ordinance.

9. The provision in the new section 35 to be enacted by Clause 10 for rectification by the Registrar entails the making of new rules as to procedure. For the sake of completeness these rules have been included in the Second Schedule to the Bill to become operative by virtue of Clause 13 of the Bill.

10. Under section 37 of the principal Ordinance one of the grounds upon which a trade mark may be taken off the Register in respect of the goods for which it is registered is that there has been no *bona fide* user of such trade mark in connection with such goods during the five years immediately preceding the application for removal. This provision might well work injustice to traders who were prevented by hostilities or the circumstances of occupation of the Colony by the enemy from using such trade mark. Moreover, as the period contemplated by the section is a continuous period it is considered that the most equitable solution of such difficulty is to ignore the period 8th December, 1941, to 1st September, 1945, and to deal with applications as if the 2nd September, 1945, immediately followed the 7th December, 1941. Clause 11 so provides.

11. The Third Schedule to the Bill contains forms to be used in connection with the procedure prescribed by such lastly mentioned Rules. The First Schedule contains forms in connection with re-registration of trade mark.

12. Power is given by Clause 12 of the Bill to make Rules. The matters dealt with in sub-section (2) of section 3 and in sections 4, 5 and 8 of the Ordinance to be enacted by the Bill are almost exclusively matters of procedure. As such they would normally be the subject of Rules made Under the Ordinance. Insertion in the Ordinance to be enacted by the Bill will, however, assist the convenience of persons abroad who can in one document be furnished with full information they require regarding the procedure of registration upon reconstruction of the Trade Marks Register of the Colony. In order to provide conveniently for modification, power is taken in Clause 12 to amend by Rule these procedural provisions. A precedent for this course is afforded by section 12 (7) of the Stamp Ordinance, 1921.

CHINESE COLLABORATORS (SURRENDER) BILL, 1947.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to provide for the surrender of subjects of China who, during the war period, have, in China, collaborated with the Japanese."

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

On the motion of the ATTORNEY GENERAL, seconded by the COLONIAL SECRETARY, Council then went into Committee to consider the Bill clause by clause.

Council then resumed.

THE ATTORNEY GENERAL reported that the Chinese Collaborators (Surrender) Bill, 1947, 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.

TRADING WITH THE ENEMY AMENDMENT BILL, 1947.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the Trading with the Enemy Ordinance, 1914."

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

On the motion of the ATTORNEY GENERAL, seconded by the COLONIAL SECRETARY, Council then went into Committee to consider the Bill clause by clause.

Council then resumed.

THE ATTORNEY GENERAL reported that the Trading with the Enemy Amendment Bill, 1947, 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.

THE COLONIAL SECRETARY moved that the motion standing in the name of the Honourable Mr. D. F. Landale and seconded by the Honourable Mr. Lo Man-kam, C. B. E., be amended in the following manner: —

In the preamble the word "from" to be omitted and the words "the situation in regard to housing recorded in" to be inserted in substitution therefor: and the words "the lack of progress in solving the housing problem after nearly two years of the British re-occupation" and the comma after the word "re-occupation" to be omitted.

In paragraph (1) the words "continue to" to be inserted after the word "should".

In paragraph (2) the comma after the word "should" and the words "without delay, plan and" to be omitted; and the word "a" to be omitted and the word "its" inserted in substitution therefor.

The whole of paragraph (3) to be omitted and the following new paragraph (3) to be inserted in substitution therefor: —

(3) While bearing in mind the present and future interests of the Colony, Government should by all means within its power encourage building schemes for civilian use, should actively encourage private building to the utmost possible extent and should keep under constant review decisions of policy and legislation in order to ensure that there is no unnecessary delay or impediment.

He said: Your Excellency, I rise to move the motion standing in my name, which is to the effect that certain amendments set out in the Order of Business be made to the motion proposed at the meeting of this Council on 3rd July by the Honourable Mr. D. F. Landale and seconded by the Honourable Mr. M. K. Lo. As I stated at that meeting the original motion as proposed and seconded, and supported by each of the Honourable Unofficial Members in turn, is unacceptable to Government. Government is far from satisfied at the present situation in regard to housing, but that is not to say that Government concedes there has been no progress or little progress since the re-occupation, which took place at the end of August, 1945, just over twenty-two months ago. The first task of the re-occupying force was the establishment of law and order and the restoration of the services essential to the health of the community. Owing to the sudden end of the war with Japan this occupying force came with almost empty hands. They achieved good results in an exceedingly short time. I need not go into details, which are well known to all. But I do not think anyone expected them to commence building houses during the period of their administration, although they did, in addition to their many other tasks, rehabilitate sufficient buildings to enable civil government to be restored at the end of eight months.

It has been estimated that during the short period of actual hostilities and the three years and eight months of the enemy occupation about 70 per cent. of the non-Chinese and about 10 per cent. of the Chinese accommodation was rendered uninhabitable by destruction and neglect. That then was the extent of the housing problem to be solved. May I remind Honourable Members that this destruction fell on a Colony already seriously unprovided with accommodation. This Colony is equipped with services, including accommodation, for a population of about one million people, whereas in fact since 1937 it has had a population approaching two million. Nobody, Government or private enterprise, has had a fair chance to deal with these overriding conditions, the operative period being taken up with preparations for war, war itself and the aftermath of war. It is true that under the Japanese occupation the population dropped to about half a million, but since the re-occupation by the British the population has trebled or more than trebled in twenty-two months. Hong Kong, generally overcrowded, has become more overcrowded than it has ever been before. What has been done? Some three to four thousand premises have been rehabilitated, but the problem of overcrowding seems to be as acute as ever and, as I pointed out to this Council previously and as my Honourable friend Mr. Landale has re-affirmed, even when all the buildings capable of being rehabilitated have been put in order the housing needs of the Colony will not have been met. The emphasis in the comparatively near future must be on re-building rather than on rehabilitation. Government does and will continue to regard the solution of this question as one of the utmost urgency. As has been stated before, apart from the reluctance of owners to build at present high building costs, the main reason against rapid progress in re-building is the impossibility of obtaining regular bulk supplies of certain materials which are essential. In spite of what has been said to the contrary by Unofficial Members in this debate, these difficulties are real, very real. It is easy to say, for instance, that "well over 1,000 tons of reinforcing steel can be immediately obtained locally and there is more on the way". That may be so, but nothing is said of the quality of that steel or of its price. I must, however, tell this Council that a telegram was received only a few days ago from the Secretary of State for the Colonies to the effect that the iron and steel position in the United Kingdom, already bad enough, has worsened considerably and that it is desirable to reduce Colonial requirements of iron and steel to the absolute minimum.

I re-affirm that Government will pursue its policy of rapid and extensive building for its own use in order to equip itself with accommodation for its officers and thus release other premises for the general public, but I cannot ignore—no one can ignore—the serious handicaps imposed by shortage of materials and shortage of staff, for which there is no quick solution.

I now come to paragraph three of the original motion and to the new paragraph which I am proposing should be substituted therefor. I emphasize that Government recognizes its duty to encourage, and will encourage, private building schemes provided that the promoters

can satisfy Government and its advisers that the schemes are practicable—here again the question of the availability of building materials is very relevant—and provided that, if financial assistance from Government is sought, the schemes are financially sound. Government's purse is the public's purse and must be safeguarded.

This brings me to the subject of the so-called renewal of seventy five-year Crown Leases which has occupied a disproportionate place in this debate and which must, I submit, be put in its proper perspective. The present and future interests of the Colony, and by that I mean the Colony as a whole, the general community, and not a section of it, must be constantly in Government's mind. Government regards as particularly unacceptable the views which have been expressed to the effect that its present policy in regard to these leases is, —I quote: —“unfair and repressive” and is a serious impediment to private building enterprise.

It has been stated during the course of this debate that the subject of the so-called renewal of seventy-five-year Crown Leases is one of great importance to the community generally. I venture to suggest that this is overemphasis. Of all the many thousands of lots in this Colony there are only 1,344 in respect of which seventy-five-year leases have been issued. Of these 183 (including 76 in the Hill District) are on the Island; the rest are on the Mainland. Since Government's announcement of policy regarding these leases was made in June, 1946, only some 80 applications for renewal have been received in spite of the specially generous terms offered by Government in respect of applications made within one year of the date of the announcement. It hardly seems, therefore, that the renewal of these leases is of great importance to the community generally or indeed to the vast majority of the leaseholders themselves.

I would also correct the impression that the question is simply one of whether holders of seventy-five-year Crown Leases which are expiring should or should not be granted a new lease. It is not so simple as all that. The holder has no legal right whatsoever to a new lease. Thus Government is entitled on the expiry of an existing lease to grant a new lease, for the whole or part of the lot, on such terms and conditions as it thinks fit, either to the previous leaseholder or to some other person. But it was agreed in 1940 that favourable treatment of a tenant who had faithfully discharged his contractual duty would be justified.

The position before the outbreak of the war in 1941 was that it was understood that fresh leases would be granted on payment of a Crown Rent re-assessed in the light of the changed conditions. Government had not announced, as the Honourable Mr. Lo pointed out, whether or not a premium would be required, although the greater part of the tenants concerned had manifested a strong objection to the payment of a premium as such. The question of a new building covenant hardly arose in those pre-war days, since buildings were already erected on the lots. The main consideration was that the buildings already erected, in accordance with the building covenant in the expiring lease, should be maintained in good repair.

The above represents the pro-war position. Since the war the matter of these leases has assumed a new significance by reason of the widespread destruction of property, particularly residential property in the Hill District. The rehabilitation and new erection of residential property has become a matter of great urgency and property-holders who hold under leases which have only a few years to run, have naturally been anxious to know the terms on which new Crown Leases will be granted before they undertake the very heavy expenditure which rehabilitation or new construction will entail. It was to meet that situation that within a month of the institution of Civil Government, in June, 1946, Government issued a notification designed to acquaint the public with its policy. The majority of the terms embodied in the notification are what is called "common form" to the terms of grants made when there is a surrender of the outstanding portion of the term of an existing lease and the grant of a new lease, but certain innovations were introduced to cover points on which there had been agreement before December, 1941, or which arose particularly out of the destruction due to military operations or to looting. If normal conditions had prevailed effect might have been given to the pre-war proposal that the premium should be reduced in proportion to the good condition of the premises on the expiry of the term. Unfortunately in very many cases the premises have been almost completely destroyed and with the present high cost of labour and materials the cost of rehabilitation or of new construction will exceed the original cost of the building and may generally exceed the amount of any renewal premium. In order to encourage leaseholders to undertake the rehabilitation or new construction which is desirable to meet the housing requirements of the Colony, Government indicated that applications would be entertained for the remission of the premium to the extent of one-half of the cost of rehabilitation of the buildings. This means in effect that in the majority of cases there would be a complete remission of premium. A further concession was made that in grants of new leases approved on applications made within one year of the date of the announcement, the Crown rent would be re-assessed in accordance with the scale applicable to the locality in the period immediately before the outbreak of the war in 1941 and that the amount of the premium would be based on land values in the locality during that period.

Government's whole interest is the adequate development of the leased area in accordance with the needs of the community, and this has been made a condition precedent to the grant of any new Crown lease. This entails the imposition of a building covenant appropriate to the nature and locality of the lot. These measures to ensure adequate development of leased areas are considered particularly necessary in respect of some of the lots which were the subject of the earliest leases, as not infrequently large areas were granted with wholly inadequate safeguards for their development. Two such large lots were referred to by the Honourable Mr. Lo in his speech. The Honourable Mr. Lo, in contending that the original building covenant, imposed when the expiring lease was originally granted, should be

re-imposed unchanged in the new lease, apparently takes no account of changes in the economic circumstances of the Colony and in the relative importance of particular sites in the Colony, nor of the fact that many of the original covenants were fixed at an absurdly low figure. The housing needs of the community have increased, while the number of available building sites has not. So that what has been called Government's repressive and unfair policy in regard to the seventy-five-year leases comes to this: Government foregoes its legal right to take the thing back lock, stock and barrel: it foregoes its right to take possession of the buildings in good order: it foregoes the premium on the new lease: it sells the lots at their 1941 value and it re-assesses the rent by the same standards.

The land tenure question involved in the matter of the seventy-five-year Crown Leases is a comparatively minor factor in its effect on the present housing crisis. In its policy regarding these leases Government regards itself as the trustee for the tax-paying community. It must bear in mind the present and future needs of the community, which are far different from those of nearly seventy-five years ago.

In the circumstances I submit in all sincerity that Government's policy in regard to these leases is neither unfair nor repressive and that consequently the amendment to the third paragraph of the Honourable Mr. Landale's motion, which amendment I am now moving, should be endorsed by this Council.

HON. MR. V. KENNIFF: Your Excellency: I rise to second the motion.

I am very glad to have the opportunity which has been afforded by this debate to set out certain of the reasons why the motion moved by the Honourable Mr. Landale should not, in its original form, be passed. I trust that after I have reviewed some of the ground traversed by those Honourable Members, who spoke in support of the original motion, it will become apparent that, either they have been misinformed on certain aspects of this very important matter, which is the subject of this debate, or secondly, have misinterpreted the actions and policy of Government, or in the third place they have not been made aware of the full facts of those specific cases which have been quoted in support of their arguments. If I am successful in indicating where Honourable Members have not been correct in their very stringent criticisms of Government policy and its implementation, I hope that Honourable Members will see their way clear to vote for the amendment to the motion which has been moved by the Honourable the Colonial Secretary.

When the original motion was tabled I looked forward with great interest to hear from the addresses of Honourable Unofficial Members, clear and practical suggestions for the quick solution of the Colony's No. 1 problem, namely housing. This Honourable Council, the Government, and the public would owe a deep debt of gratitude to whoever found the quick and practical solution to this world wide problem. I regret to say I left this Council on Thursday last no whit wiser than when I entered it.

I heard speeches from all my Honourable Friends the Unofficial Members. I heard much destructive and even bitter criticism concerning the shortcomings of Government, but that quick practical solution I hoped to hear was unfortunately missing.

Before I proceed to refer in detail to some of the points which have been raised in the debate on this motion, confusing as they all are, I should like to outline as briefly as I can the problem as I saw it on my arrival in this Colony a little over a year ago, and the line of approach which has been made by Government to deal with it up to the present time. The problem was to render habitable as quickly as possible all those buildings which it was possible to repair, and as soon as the necessary staff was available to undertake the design and construction of new buildings to replace those which were unrepairable. This was the policy which I recommended and which was approved by Government. Much emphasis has been laid on the fact that so little has been done in almost two years after the reoccupation of the Colony. In those countries which were never occupied by enemy forces, building work, except for war purposes, was halted during the war period; they now have arrears of building and maintenance to overtake; those countries which were attacked and occupied by enemy forces have a heavier and bigger problem confronting them, namely that due to the cessation of all building work plus the damage due to war. Hong Kong falls into the latter category and its problem is therefore in the class of heavier and bigger tasks than in most other colonies. But in addition to the task of providing the buildings required, the Public Works Department was confronted with almost equally heavy demands as a result of lack of maintenance, and war damage, in regard to such essential services as roads and streets with their lighting, water supplies, harbour works, drainage works, and the provision of schools and hospital accommodation. Added to these was the legacy of collapsed and collapsing Japanese tunnels. The task was a formidable one.

As to housing, the Colony had been denuded of supplies of every description including those required for repairing buildings and erecting new buildings. Missions were sent to various countries in an endeavour to obtain urgently needed supplies. But for the most part those countries had not sufficient supplies for their own needs and a little was obtained but not enough.

But the work of rehabilitation could not be allowed to stop. I would suggest that the period of Military Administration be not forgotten, but that it be deducted from the period of 22 months (and not 2 years), which has elapsed since the reoccupation, and that any criticism be confined to the period of the past 14 months, which after all marks the period during which the bulk of the community now resident in the Colony returned to take up once again the threads which had been broken by the occupation of the Colony by the enemy.

Much has been accomplished in that 14 month period and it has even been said in many places that Hong Kong's recovery has been more marked than in any other area of the Far East. That it is not

sufficient to meet all requirements is admitted, but I submit, that when world conditions, and local resources during the period are taken into account, the Colony has nothing for which it need apologise.

Immediately after the resumption of Civil Government the main concern of Government was first to house its own servants. At the same time other steps were taken to encourage the rehabilitation of private buildings. I may say the response was poor. In reply to a question asked by the Honourable Mr. M. K. Lo in this Council on 21st November, 1946, the Honourable Colonial Secretary stated—I quote: —

"Government invited property owners, by a notice in the Press on the 25th June, to notify the Director of Building Rehabilitation of their plans and difficulties. Only five applications were made in response to this invitation, four for financial assistance and one in connection with property demolished by the Japanese in the extension of Kai Tak airfield. In one case a loan has been arranged with the Banks. No applications have been received in consequence of Government's offer, made on the 19th July in reply to a question in this Council, to consider the reconstruction of demolished properties on behalf of the owners."

The response indicated that whatever was holding up building operations it was not finance. The numbers of applications since received could be counted on the fingers of one hand.

As to its own housing problem the Government's technical staff was, and still is limited in numbers, but the restoration and repair of Government dwellings which were repairable was pressed on, as well as the repair of schools, hospitals, and the like. During the 14 month period, 648 quarters have been repaired which now house 4,750 Government servants and their families. This represents a considerable effort, but unfortunately many Government officers are still without houses. During the same period 127 buildings were restored in order to enable the functions of Government to be resumed.

As staff returned, the design of new residences to replace those which could not be repaired was also put in hand, and if building materials in sufficient quantity can be obtained Government quarters will be erected according to plan. When the end of that phase of work is in view then we will go on to plan and execute other essential building work. I wish to assure Honourable Members that the Architectural Staff of the Public Works Department, depleted in numbers as it is, has not been a moment idle since their return from recuperative leave. They have wholeheartedly thrown themselves into their work, have worked incessantly, and for long hours of overtime, and often for seven days a week in order to press on rehabilitation both by the restoration of existing buildings, and the design of new buildings. I am glad to be able to pay this public tribute to their loyal and self-sacrificing work.

So much for the plans for Government building which I have thought it desirable to outline to Honourable Members. I will now endeavour to reply to some of the points referred to by Honourable Members in their speeches to this Council on 3rd July, and in so doing I propose to separate the two broad issues, and deal firstly with housing, building schemes, and the materials which go in their construction, and secondly with matters affecting the land on which those buildings are erected.

Both the Honourable Mr. Landale and the Honourable Mr. Gillespie have referred to building schemes, and the delay which has been encountered in obtaining terms under which Government would be prepared to alienate land for such schemes. I should like to remind Honourable Members that for the protection of absent citizens the policy was adopted that there would be no sales of land for a period of 12 months from the date of reoccupation of the Colony, which gave the Civil Government four months in which to assemble staff and records to deal with applications received in the interim. Although it is true to say that application was made in the case of one scheme in May, 1946, the applicants were informed of the position, and Government was unable to offer terms before the expiry of one year from the date of the reoccupation. During that period Government sought and obtained permission of the Secretary of State to dispense for a period of one year with auction sales in the case of approved building schemes. One of the main reasons advocated for this departure from previous practice was that the preparation of a scheme for building many houses involved considerable expense in survey and planning by architects, and it would be unfair if after incurring such expenditure of time and money the genuine promoter of such a scheme was outbid at auction by some speculator. This was a very sound precaution. I regret, however, to say that most of the schemes so far put forward have been characterised by lack of any serious planning. The majority have been impracticable in application, and speculative in character, and in several cases the Public Works Department has had to survey the areas, and point out to the promoters the impossibility of their schemes.

In the case of the scheme at Repulse Bay to which the Honourable Mr. R. D. Gillespie has referred this procedure had to be followed. I have good reason to believe that the promoters of this scheme underestimated the cost of the buildings they intended to erect and availed themselves of the opportunity of withdrawing their application, when terms of sale by private treaty were offered them, on the plea that certain of their clients had made other arrangements, and the remainder considered the terms offered by Government would make the cost of building too high. I derived the strong impression that they were glad of the excuse to back out. As the Deputy Director of Public Works has now left the Colony I am unable to check the statement that during the preliminary negotiations he stated he would be prepared to recommend a price of 35 cents per square foot for the sale of the land but I have his final written recommendation for a price of 87½ cents per square foot. The price fixed by Government

was 80 cents per square foot. The particular syndicate to which the Honourable Member refers dropped the scheme, but I am able to inform Honourable Members that an application was immediately lodged by another undertaking, which has readily agreed to the same terms and will proceed in the near future with the erection of about 17 residences on the area which has now been allocated to them by private treaty. That the price of 80 cents per square foot for land in this area is not unreasonable is also confirmed by two recent auction sales for land not far distant from this site in which the upset premia were 80 cents and \$1.00 and the prices realised at auction were \$2.53 and \$3.89 respectively. By private treaty the sponsors of the scheme have obtained the land at one third to one quarter of the price of the open market value. Surely the Honourable Mr. Gillespie would concede that this is not ungenerous, and that too much was not asked of this particular scheme.

As regards the Jardine's Lookout site also referred to by the Hon. Mr. R. D. Gillespie, there have been several proposals for the development of this area. Two in fact are now under consideration. One of them has, I fear, had little thought given to it, and has taken no account of the natural features of the area. In answer to the Honourable Mr. Gillespie's question as to whether this area is available, the answer is that the land is available, like any other Crown Land, for any well devised scheme.

As the Honourable Mr. Gillespie says, this is a large area, and its development will result in fact in a complete residential Colony. The particular application to which the Honourable Member has referred as being lodged on 13th May, 1946, could not under the policy to which I have referred, be granted before September, 1946, but the applicant admitted as late as February, 1947, that a layout of the proposed area, which I would ask you to remember was to be a complete residential Colony, could not be furnished because a survey of the site had not been completed, and the various clients had to be consulted to ascertain whether they would be prepared to go to the expense of this survey. Up to this stage I fear this was another case of an application to Government on the basis of "Let us have 180 acres or so of valuable building land on cheap terms and we will see what we can do with it". The tenure of lease for this land, in accordance with current practice, would be for 75 years with option for renewal for a further term of 75 years. I submit that Government would be failing in its duty to the citizens of this Colony if it alienated for the next 150 years a large tract of valuable building land without having reasonable details as to what was going to be done with it. There are many glaring examples of the results of this course of action in the past whereby large areas of undeveloped leased sites, bought for next to nothing, are locked up, and have increased in value many times over. I shall quote some examples:

There are two water front lots at North Point having a total area of 744,615 square feet. Forty Chinese tenement houses were built on a portion of one lot, and the Building Covenant was

completed. The remainder of the area totalling about 600,000 square feet to-day stands undeveloped. The cost to the lessee of the undeveloped land was about \$456,000. To-day it is worth \$4,000,000.

The second case is an inland lot on Stubbs Road where the Building Covenant expired in 1934 and two extensions of time were granted without penalty. Certain buildings were erected during the extended period on two sections of the lot, and later assigned. The Building Covenant has not yet been completed on the balance of the lot and an unbuilt area of about 200,000 square feet of formed but undeveloped land remains. Its value at date of sale was \$30,000 and it is now worth \$600,000.

Next, an area of 171,190 square feet in Kowloon, having a valuable sea frontage still remains undeveloped and is used for open storage purposes. Its original value was \$17,161 and it is now worth \$855,950.

The last case I shall quote is also in Kowloon. The area is 93,560 square feet and one frontage only has been developed by the erection of ten small houses. The original value to the purchaser of the still undeveloped portion was \$101,696 now worth \$508,480.

But I need not go on. I shall, however, again refer to this later when I come to deal with Building Covenants. To conclude the history of the Jardine's Lookout site, repeated pressure was brought to bear on the architects of the important firm to which the Honourable Member has referred since other applications were in hand for the same area, and layout schemes had already been received from these other applicants. Writing on 12th April, 1947, more than twelve months after their original application the architects pleaded for time. They stated that the proposed building scheme was a big one, and their clients felt it unreasonable for them to be *rushed* by the Public Works Department. "Rushed" was the word they used in their letter. Honourable Members, need I say more about the accusation of Government procrastination in this case? The applicants complain of being rushed by a Government Department to produce their scheme over a year after they had made their application. I quote from the Honourable Member's speech as reported in the Press in regard to this building scheme: —

"The Colony has therefore been deprived of 300 or more houses which might to-day be fully occupied".

And again I quote: —

“Speedy decisions should be made when building schemes are submitted”.

The Colony may be deprived of the 300 houses but surely not by Government procrastination. The outline scheme was not ready in April, 1947, and not one of the 300 houses, maisonettes, shops, schools

and the like, about which we heard in the Honourable Member's speech, had then been designed. How could a speedy decision other than an outright refusal be given on a scheme such as this?

I will now pass from Housing Schemes. If the examples chosen are the worst charges that can be made against Government I hope I have been able to complete the picture sufficiently well to prove the charges unfounded, and uncalled for. But let me say this—no effort will be spared to foster and encourage any serious scheme which has been properly formulated, and which appears to hold out any chance of success in providing houses for the community. There can be only one policy, namely to produce houses as rapidly as possible.

Reference has been made by the Honourable Mr. Gillespie to the possibility of erecting houses of light construction, and the need for relaxation of the provisions of the Buildings Ordinance in order to permit of the erection of such buildings. The Honourable Dr. S. N. Chau stated, in support of this proposal, that the building rules of the Colony are antiquated and completely out of harmony with present needs and circumstances.

I am not going to try and pretend that the Buildings Ordinance in its present form which became law in 1935 is a piece of ultra modern legislation. I appreciate the need for its revision to permit the use of the most modern methods and materials of construction. I would however deprecate amending the Ordinance to allow the erection as a permanent measure of any temporary structures. This is not to say that in order to meet the present situation Government would not give careful consideration to any proposal to erect such type of houses on land which would be leased for short periods. So far as I have been able to trace, no application has been received by Government for the erection of such types of buildings. There have however been a few inquiries from would-be importers of one or other of the many types of much advertised prefabricated houses, as to whether such buildings would be permitted under the laws of this Colony. The answer has had to be that they do not comply with the Buildings Ordinance. These inquiries related to the selling and not the building of such houses. I should however be grateful if the Honourable Mr. Gillespie could give me more details concerning the contractor who applied to Government for permission to erect wooden framed houses, and was told they would have to be spaced 150 feet apart.

I am not prepared to let the mere provisions of the present Ordinance stand in the way of building houses in the present emergency. If there are reasonable departures possible I would advise Government to sanction them.

Before leaving the question of bungalows of light construction I would sound a note of warning. Many millions of pounds have been spent in the United Kingdom and the Dominions in order to determine the best type of house to meet their housing problem, for they too have a housing problem. Some types evolved are good and

some not so good. What may be suitable in Canada or the U.S.A. —or even in a Canberra or the District of Columbia—may not be suitable in Hong Kong. After all, our climatic conditions alone are somewhat different from many other places, and we do occasionally have typhoons, and we do have white ants and other pests. I have seen many timber framed buildings with fire resisting walls in other countries. Those I have seen would, in my opinion, be entirely unsuited to Hong Kong conditions. It would not assist the housing problem much if scores of such houses were built, and were then proved for one reason or another to be unsuitable. It is Government's duty to guard against this but it is prepared to consider any safe alternatives.

The Honourable Mr. Gillespie has been advised that bungalows of light construction could be erected in considerable numbers at a moderate price. It is interesting to learn that excessive costs will not apply to such type of houses, and I trust that if they are built the rents to be charged will be correspondingly low. The cost of erection of a large number of similar type houses is largely dependent on the ability of the builder to carry out the repetitive processes of construction within the same area, and with the minimum movement of his plant and labour forces. This presupposes large areas of comparatively level ground for the implementation of such schemes. Level areas are what we have least of in Hong Kong.

Several Honourable Members have stated that it is not the shortage of building materials which is delaying the building of houses in Hong Kong. The Honourable Mr. Watson has been told that well over 1,000 tons of reinforcing steel can be immediately obtained locally, and that a review of the situation in regard to basic materials required for the construction of dwellings shows that at the present time no immediate shortage of these is being experienced. I don't know what materials are covered by the word "basic", but I do know that the Public Works Department has experienced, and is still experiencing difficulty in obtaining supplies of essential building materials all of which are necessary before a house can be built and lived in. If, as appears to be indicated, there are large stocks of such materials in the Colony I am surprised that the keen merchants of this city have not come forward and offered them for sale in large quantities. The Controller of Stores, on behalf of the Public Works Department, is in the market as a buyer. I note however that the Honourable Mr. Landale admits we have nothing like all the material we will want. I agree with him.

I find a certain inconsistency in the remarks of the Honourable Mr. Watson for, after having somewhat airily disposed of the myth that there is any shortage of building materials, he went on to say that a correspondent of his summarised the position in these words. —I quote again from the Press report of the Honourable Member's speech: —

"It would appear that as far as housing is concerned the Government intends to leave the purchase and stocking of all building materials to the importers, who are therefore expected to lay in such stocks as they think will be required, and to lay out expenditure on acquiring those stocks, and in storing them locally until such time as they are called for by various building Contractors. Obviously such an unbusinesslike arrangement has failed, and will fail, to commend itself to any sensible importer in the absence of any declared policy regarding rehabilitation of housing in the Colony."

I recall in this connection the advice of the Chamber of Commerce, as stated in the reply given by the Honourable the Colonial Secretary to a question asked by the Honourable Mr. M. K. Lo in this Council on 21st November, 1946. I will read the relative paragraph of that reply: —

"Government's proposal to co-ordinate all orders for building materials has been discussed at length with the General Chamber of Commerce, and on the advice of the Chamber it has been decided that it is preferable to leave such importation to private enterprise without Government control."

Referring again however to the statement of the Honourable Mr. Watson's correspondent, —on the one hand we are led to believe the importers' stores are crammed with building materials waiting to be used, and on the other hand the same importers refuse to import and keep stocks. Which is correct? I leave it to Honourable Members to guess. Their guess may be as correct as mine. I cannot square the two statements..

A thousand tons of reinforcing steel sounds a lot. The designing engineer would want to know a good deal more about it before he could say what he could do with it, for example, the sizes, the quality, and the price. If it is the same 1,000 or more tons about which I have already heard and made enquiries its quality is poor and its price outrageous. Nevertheless some of it may prove useable. I would only remind Honourable Members that if one is to avoid the danger of a collapse of a structure when using reinforcing steel of poor quality one may have to use perhaps 50 per cent. more steel of inferior quality than of good quality. If the price is also out of all proportion to the quality up go the building costs already admittedly high in this Colony.

In order to interfere as little as possible with the rehabilitation and new buildings work to be undertaken by the public, Government has hitherto endeavoured to obtain its own supplies of building materials by direct import. The results have been disappointing due to world conditions, and in particular to the supply position in the United Kingdom.

To quote but a few examples: —

An indent for 350 tons of mild steel bars was placed on supplies in England in April, 1946. Delivery quoted to the Crown Agents was to be made within a month. To date only 50 tons have been received in the Colony.

Orders were placed in England in March, 1946, for wrought iron pipes and fittings for delivery to commence within a month. Advices received in April, 1947 state that the balance of the order will be ready for shipment about June, 1947.

80 cast iron soil pipe branches were ordered in April, 1946, delivery was promised in from 8 to 9 months. The suppliers now state they can give no definite delivery date.

An order for rolled steel joists was also placed in April, 1946, for delivery at the end of 1946. The suppliers now advise they have no prospects of obtaining these joists.

As the Honourable the Colonial Secretary has told us, recent advices from the Secretary of State for the Colonies have foreshadowed further restrictions in certain essential building materials. Wherefrom then are building materials to come? If there are surpluses in the Colony not required for private building work, let them be offered for sale to Government.

I should now like to refer to what the Honourable Mr. Landale has described as the shrinkage of the Government scheme for the erection of three nine-storey blocks of flats at the Leighton Hill site to two blocks of seven stories. The Honourable Member has challenged Government to say whether it applies to itself its own policy for the adequate development of leased areas in accordance with the needs of the community as the condition precedent to the grant of a new lease. This policy of Government, (which incidentally was announced over a year ago), for some reason or other seems suddenly to have unduly perturbed the Honourable Unofficial Members of this Council, and I venture to suggest that the debate has displayed a greater interest on their part, in the terms for leasing or releasing Crown Land than in the matter of providing more houses.

However, to deal with Leighton Hill. A committee appointed by His Excellency Sir Mark Young recommended the development of the Leighton Hill site by the erection thereon of blocks of flats to house fifty to sixty families, and the Government Architects were put on the job. In order to economise in time, material, and money it was decided to have the three blocks identical in every respect. One set of plans, specifications and quantities would thus cover the three blocks. To allow for maximum development of the site nine-storied buildings were agreed upon, and design commenced. At the same time investigations in regard to foundations for these not inconsiderably high buildings were undertaken, since it was known that air raid tunnels had been constructed under the site. These investigations

disclosed that Japanese constructed tunnels, as usual without linings, or supports, had been driven under the southern portion of the hill, and several of these tunnels had already collapsed. This tunnel system lay directly beneath the site of one of the three blocks of flats. The necessary equipment for back filling tunnels had not yet arrived. It would have been impossible to build over the tunnels, so reluctantly, and with great regret, the site for one of the blocks of flats had to be temporarily abandoned. This site will be further examined after the arrival of the tunnel filling equipment, and if the tunnels can be successfully filled, and the site above them made secure then a building can be erected on it. So like the ten little nigger boys now there were only two! The examination of the tunnel system under the remaining sites proved them to be in good condition and although they will be eventually filled the best technical advice available was of the opinion that it was desirable to minimise the load on the foundations by a reduction of the height of the building to seven instead of nine stories. Considerations of wind pressure on a tall building on such an exposed site also indicated the desirability of limiting the height to seven stories. And so ends the story of Leighton Hill. The change in plans had nothing whatever to do with any desire on the part of Government to extricate itself from the meshes of its own policy in regard to the full development of sites in accordance with the needs of the community.

I will now turn to the question of land. As I have already mentioned most Honourable Members, who spoke in support of the original motion, have stressed the point that it is the high cost of land that is preventing the erection of more houses. Government has been accused of profiteering in its land, causing inflation and what not. Some Honourable Members have concentrated their attack on the high prices demanded for the lease of Crown Land previously unoccupied; others on the terms offered for the grant of new leases to replace those 75 year leases which are due to expire within the next few years; others have attacked either the amount or time stipulated for the completion of Building Covenants.

I do not propose to detain Honourable Members by covering the whole field, part of which has already been fully dealt with by the Honourable the Colonial Secretary, but to confine my remarks to certain specific points which have been raised. The Honourable Dr. S. N. Chau has exhorted Government to reduce the price of land at its public auctions. I would ask the Honourable Member how he would feel at any public auction at which he was bidding if the auctioneer suddenly stopped the sale after his opponent had raised the Honourable Member's bid and informed him that he really couldn't let him continue bidding, and would have to knock down the thing being sold to the last bidder. No, it is those taking part in an auction sale who fix the last price.

The Honourable Mr. Landale has made the statement that Government is charging exorbitant Crown Rents. This is not so. Crown Rents in the pre-war period were unduly low, those fixed in

the early part of the last century for the 75 year leases, most of which are now failing in, were in some cases only nominal. Three adjoining Rural Building Lots in the best part of the Peak District having a total area of nearly 14 acres now bring in a total Crown Rent each year of \$185—less than \$14 per acre per annum. Is it seriously suggested that these ridiculous rents should continue for a further 75 years on the grant of new leases?

The Honourable Mr. M. K. Lo has cited two cases concerning the grant of new leases to replace 75 year leases due to expire within the near future. The Honourable Member declared his interest as a Director of the Company holding the lease of one of the sites. From the description he gave of the other site I have no difficulty in identifying it, since it is a case with which in its more recent stages I have dealt personally.

The details given in regard to Case No. 1, that of a Rural Building Lot of 3.87 acres situated in the Peak District are substantially correct except that there is rather less than more hilly areas within the lot. It is true that there are three level sites within the area on which buildings could be erected. But there is also a fourth area which at very moderate cost could be made into a fourth building site. The owner considered that the erection of a block of six flats on one of the four building sites would be full development. He proposed therefore to leave three potential building sites within the area undeveloped. In a country which is said to be land hungry, and where there is an acute shortage of houses, Government was unable to accept the proposal, but acknowledging the need for amenities agreed to allow two of the remaining three sites to be retained for recreational purposes, and asked for development of the fourth building site. To do otherwise would be to lock up a good building site for a further 75 years and preclude its use by some less fortunate citizen who might be prepared to develop it. There the matter stands, except that the applicant has been informed that he may proceed at once with the construction of the block of flats he proposed to erect with the assurance that on the expiry of the 75 years lease Government would grant a new lease for that part of the area so developed. So Government is not preventing the erection of the block of six flats.

As regards the second case I should like to make it clear that the Company holding the lease has expressed the intention of erecting on the lot a hotel, should a new lease be granted. The lot is eminently suitable for such a business undertaking. The lot has remained without any building on it for almost ten years, the previous structure having been removed by the lessee and not replaced. Terms for a new lease were offered to the Company in 1937 and were not accepted by them. The lease now has a little more than a year to run, and through their failure to accept the terms offered them in 1937 their interest in the lease has now little value. Although no war damage was sustained by the lessees in regard to this property, since there was no building on the lot on the outbreak of war, they have been

given the same favourable terms for the calculation of premium as those lessees whose property suffered war damage. This they have rejected and have suggested in lieu thereof a premium of little more than one third of that which they were offered and rejected in 1937.

As regards the amount of Building Covenant and the time for its execution, both are always open to negotiation. If satisfactory proofs can be furnished that the buildings which the lessees intend to erect, and which Government has accepted as representing full development of the leasehold area, can be erected or have actually been erected for less than the prescribed amount of the Building Covenant adjustment can always be made. In the same way Government, whilst desirous of obtaining early full development of building sites, will be prepared to extend the time for the completion of a Building Covenant on production of satisfactory proof of inability to comply with it. Such, I understand, has always been the practice followed in this Colony. At the same time present building costs are fairly well known, and I do not consider the Covenants so far proposed by Government are unduly high having regard to these costs. If building costs fall adjustments would of course be made. Nevertheless Government must ensure that the Building Covenants required are such as will ensure full development of the areas leased. To do otherwise might well result in further areas of land lying undeveloped for long periods, with benefit, due to increased values, accruing only to the lessee and not to the community—as in those cases I have quoted earlier at North Point, Stubbs Road and Kowloon.

I should like before concluding my remarks to refer to the advantage which has accrued to certain lessees, who, having availed themselves of the favourable terms offered to those applications lodged within a year from June, 1946, in cases where war damage had been sustained, have immediately assigned their leases at enhanced prices, since it is obvious that a lease with three or four years to run is worth a good deal less than one with three or four years plus another 75 years.

If I have not dealt in detail with all the points raised in the debate it is not because there are no answers. But I do not wish to detain Honourable Members longer. I trust I have said sufficient to dispel the illusion that the Government is a rapacious monster trying to devour the poor lessees and that it is not deliberately going out of its way to prevent the citizens of this Colony from obtaining the houses they sorely need. I hope that I have been able to demonstrate that some of the arguments put forward in support of the original motion have been based on weak foundations, and that Honourable Members will find themselves able to vote for the amendment proposed by the Honourable the Colonial Secretary.

THE ATTORNEY GENERAL: Sir: The Honourable the Colonial Secretary and the Honourable the Director of Public Works in moving and seconding the motion for amendment of the motion tabled by the Hon. Mr. Landale have given good and sufficient reasons to support

the proposal that such amendment should be made. I would like, nowever briefly, as briefly as possible to deal with topics which were raised in the debate on the motion and which were not touched upon, I think, by the Honourable Mover and seconder of the motion for amendment. The topics that occurred to me are really two-fold—the question of requisition and the continuance in requisitioning of premises, and secondly the assertion that Government machinery clogs the way of rapid transfer of land which would further the solution of the housing problem. Taking the question of requisition first, it has been suggested by Honourable Members that all requisitioning or the continuance of requisition should cease and presumably to that extent would the housing problem be alleviated. Statistics are dull things—perhaps Council has had enough of them this afternoon—but I will try the patience of Council still further by giving some. It appears that the peak period of requisitioning was in December, 1945 when the number of properties held under requisition in Hong Kong and Kowloon totalled 735. The present numbers, that is approximately at this date, are domestic premises 86, non-domestic 144 making a total of 230. In the past 12 months 442 properties have been derequisitioned, and included in that period, that is within the last 6 months there have been 159 properties derequisitioned. It is perhaps sufficient to remark that if the pace of derequisition is a criterion of progress in the solution of the housing problem, then here we have an indication of very distinct progress. The majority of the premises domestic and non-domestic which at this date remain under requisition, so remain for the use of the Services. The Government, as I am myself aware, has this problem under constant consultation with the Services who are only too eager and willing to give up requisitioned premises and have done so to a very marked extent until at this date they have arrived at a stage when there is no alternative to which they can look for the housing of personnel and administrative machinery of the Services. As an aside perhaps I may say that it is perhaps not inopportune to remark that the needs of the Services must be met even if requisitioning of premises to some extent must continue. Using building terminology, may I suggest that the Services form the retaining wall of peace, law and order in this Colony? Without those essentials may I suggest that progress, whether in the solution of the housing problem or of any other problems that beset the Colony would be slow indeed? My Honourable and Learned Friend, Mr. D'Almada, also touched on the subject of requisitioning. More in sorrow than in anger my Honourable Friend searched the unfathomable depths of Government's conscious conscience and presumably from that source produced the suggestion that we should not abandon requisition of premises still under their control but should divert requisitioned premises to the pre-war tenant who at this day is unhoused. The Honourable Member himself anticipated some of the objections to his own suggestion. He did not however dwell on the invidious position in which the requisitioning authority would himself be put. He did not dwell on the fact that perhaps if the requisitioning authority, on surrender of a requisitioned premise, were to give it back to the pre-war tenant, he might be housing a single

person whereas the landlord himself, if given the opportunity and whether he be rapacious or benevolent, might see to it that the house restored to him would be filled from roof to cellar. Nobody would wish to withhold sympathy from the pre-war tenant who is now faced with the difficulties and inconvenience of having no house or an inadequate house, but I suggest that we must consider for the moment that we are debating the solution of the housing problem and not the relief of hardship for the pre-war tenant. Closing this topic of requisition, I would mention that, in fact, the authority concerned, as and when premises had been returned and released from requisition, has extracted or has requested assurances from landlords that premises so returned will be utilised to the full in meeting the demands for housing accommodation and I learned that at least in the majority of cases, assurances have been so given and have been fully honoured.

I now turn to points which were raised by the Hon. Mr. Watson. He referred to the Stamp Amendment Ordinance, 1946 which had effected the imposition of an Excess Stamp Duty upon land transfers. The Honourable Member suggested that the fact that this excess duty existed and had to be calculated, played its part in slowing down the process of transfers of land and he suggested that as the legislation was designed to meet a phase and that as that phase had passed that legislation could now be repealed and we should proceed for purposes of revenue to assess ad valorem. He suggested the figure of 3%. Well, such inquiry as I have been able to make assures me that the phase is not over. At this date the collections of stamp duty are 5 times what they were in October last—the first full month in which they were collectable—and the collections for May and June were, in fact, the highest. Thus, I would be bold indeed and would perhaps impinge on the province of my Honourable Friend the Financial Secretary if I were too readily to agree that the moment had come to abandon the Excess Duty for which legislation was passed without division by this Council in September last. The Honourable Member referred to the hardship which is entailed by demanding architects' certificates in connection with the assessment of this Excess Duty. I suggest that where land has been bought with a serious intention to build or rebuild, that the necessity or requirement of an architect's certificate is, in fact, no hardship, but I am aware that whatever the practice at the commencement of this Ordinance and its operation it is now the practice not to require architects' certificates except in regard to lands which have buildings upon them for rehabilitation. It has been suggested that the need for assessment in order to arrive at the right computation of tax is a cause of delay. That is of course the case, but assessment would still be necessary even if we reverted to the ad valorem basis since it is necessary at least from time to time to check on the consideration which is named in the deed and which may not perhaps patently have relation to the true value of the land to be transferred. The Honourable Member referred also to a discovery of a section in the Stamp Ordinance which has caused queries to be examined upon the consideration named in the deed. Well, the provision which I think my Honourable Friend

regards as a new one, was in fact inserted in 1938 upon the model of the Finance Act in the United Kingdom, 1909-1910. Its purposes are to require adjudication in protection of revenue, if the express consideration appears to be less than the value of the property.

Now we come to the question of delays in the Land Office. During the year 1st April, 1946 to 31st March, 1947, 4288 instruments were registered under the provisions of the Land Registration Ordinance. There was an increase of 389 over the same period in 1939. Assignments and mortgages in that period were nearly treble over pre-war figures and indications are that the numbers in the current year will be in excess of those for the last. But to cope with such increase the staff has not been more, it has been less, and yet documents at the rate of twenty and thirty a day continue to pour in. They are not all of course concerned with transfer of land but all need attention and these documents normally receive attention in the priority of their arrival, but I have this assurance from the Assessing Office, from the Stamp Office and from the Land Office, that where a request is made because for instance a mortgage is required, —where a request is made that priority be given, —it is given. And now to conclude, the Honourable Member mentioned that he himself in his own experience found that he had no documents back from the Land Office since, I think he said, the 23rd April. That of course needed an examination and it received it, and, in so far as I can ascertain, it is not a fact that any documents which have not been stopped because they are imperfect, have still remained in the Land Office, having been received before 1st June. Thus, I suggest, that there is some misunderstanding. Now with these factors in mind, chiefly the factor that priority will be given if specially asked for, I suggest that the delay in solving the housing problem attributable to delay in the Government machine — stamping, assessing or registration — must be small indeed, but small though it may be it is Government's confident hope that such accumulations or arrears will not continue because at long last, the staff position has become such that it will be possible at least as regards the Land Office to give reinforcement which is needed in its hard and unrelenting struggle to cope with the monumental amount of work.

Before I close, Sir, I would like to venture to make a submission to this Council. It is broadly stated simply this; that the Honourable Mover of the Hon. Mr. Landale's motion and the Members who supported him in his motion entirely failed to speak to the motion as tabled. That is not to say that a lot was not said, but what I wish to suggest is that having regard to the terms of the motion their arguments did not run *pari passu* with them. I ask Honourable Members to examine the original motion with a critical eye and in particular to dwell upon the word "lack" which appears at the commencement of that motion. I suggest that the employment of that word was made with perhaps a lack of thought, whether wishful or otherwise, because examination of a dictionary would have revealed that the word "lack" in its most ordinary meaning means "destitute of". Thus in effect, the motion tabled by my Honourable friend

really amounted to this, that this Government views with concern and disappointment the fact that within two years there has been complete destitution of progress in solving the housing problem. Well, one would—in fact, I looked forward rather as my friend the Honourable Director of Public Works looked forward to hearing the arguments which would support so extravagant a motion, seeing that with the evidence of our own eyes and with the evidence of those who visited us and told us so we can see that progress has been occurring and has occurred. But the Honourable Members who spoke, with one exception, failed to support so sensational an assertion. The one exception was my Honourable Friend Mr. T. N. Chau because he said this. —I quote from the Press: —

“In rising to speak in support of the motion now before Council I do so with a deep conviction that the housing question is one of the most vital facing this Colony to-day. It is nearly two years since Hong Kong was liberated; yet the position is no better to-day than it was 24 months ago.”

That is all. There is no illustration of this astonishing assertion but at least the Honourable Member, if he was brave, he was logical. Then we turn to the speech of the Honourable the Mover of the motion. He was not logical at all. He was not brave. But he was cautious because at a very early stage it must have been appreciated by him that in order to make a debate at all it was necessary to hedge as it were on the motion which had been tabled because he told us this: —

"It is therefore rebuilding as opposed to rehabilitation that is the theme song of this Motion."

Well, the Honourable Mover, having set the motion to music, the Honourable supporters of the motion joined in full chorus and kept well in tune with the solitary exception of the outburst of logic to which I have referred. Those speeches, may I suggest, argue not destitution of progress but insufficient or too little progress but that is not the same thing. That is not the exaggeration, the extravagance, the patent absurdity of saying that there has been a lack of progress, meaning that there has been destitution of progress. Yes, the Honourable Members proceeded in this chorus, this theme song, but I suggest that it was not a theme song, it was the swan song of the motion. Sir, I apologise if on so serious a matter I would dare to be in the least bit frivolous, but if it should appear that I have been, it is only with a serious purpose—the serious purpose of showing up the extravagance of the motion and of suggesting that no service but only disservice is the result of a motion which takes no account of the efforts both governmental and private which have been put out and which, despite enormous difficulties have in my submission quite obviously achieved so much with so little. Sir, all that has to be said and that need be said is this—in my submission there has been progress in solving the housing problem; we want more progress. All Honourable Members who equally have the best interests of this Colony at heart merely wish

and merely think in their heart of hearts that while there has been progress, it is a question of getting further progress. I therefore suggest that the amendment which I am supporting will achieve the objective which all really must have in view. It will excise from the motion as tabled its exaggerations of phrase and, so rejuvenated, it can be adopted by this Council as its real meaning and intention.

Sir, I commend the acceptance of this amendment to this Council.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT: Honourable Members, this has already been a very long debate inevitably so, I think, because as has been said during the course of the debate this subject of accommodation is to this community at the present time the most important subject. In dealing with this problem of housing the Government has been charged with some serious things and these charges have had to be met point by point. I think it is a good thing that these charges and the replies to them should be made heard publicly and that the community will be grateful to the unofficial members for having achieved at least this. I have little doubt that each of us sitting round this table as the debate has progressed has wondered how much what has been said can have meant to those of our fellow citizens who are without houses and indeed without decent accommodation of any sort. These citizens to whom the subject of our debate is surpassingly important and urgent will have followed the debate point by point: they will read the charges and the counter charges and the explanations. But when they have studied every last word that we have said they will still not know where the new houses they so desperately need to live in are coming from. We have none of us been able to give them the answer they want: all we have been able to do is to explain the reasons—the solid, inescapable reasons—why we have no new houses to offer. Not yet. It can be small comfort to these dispossessed and in many cases exploited citizens to listen to debates proving that building miracles cannot be performed even though—as I hope—the patent sincerity of all speakers may have convinced them of the unanimous desire of each member of this Council to help them to the best of his ability. These citizens must be sick of promises and of words. I will make no promises and I will add only a very few more words. It is to make it clear that Government has accepted the responsibility for tackling this emergency. It is up to the authorities primarily, but I venture the prediction that the best answer will be found in a combination of Government and private enterprise. This is a combination that has brought us results before in other almost equally difficult problems, and I may say this is the line upon which we are working now. I said I would make no promises, so I will merely state the fact that we are busy at this moment with a number of schemes, at least one of which, and it is a big one, looks entirely practical. Every Member here knows that this housing question is beyond all else a human problem. Its overtones, constant and inseparable, are human unhappiness and human misery. The solution brooks no delay and we, official and unofficial alike are pledged to find one. (Applause).

HON. MR. D. F. LANDALE: Your Excellency, we have listened to a lot of soothing syrup that has been administered very admirably by my Honourable Friend the Colonial Secretary, the Seconder of the motion, and the Honourable the Attorney General. But the amendments which have been proposed turn my original motion into a meaningless statement. It was meant to be constructive criticism. It was admittedly critical, but is it not one of the main functions of the Unofficial Members of this Council to be critics and to voice their criticisms if they see things going awry? I have so interpreted my functions, and my motion was worded accordingly. May I comment briefly upon the amendments?

In the preamble—despite the Honourable the Attorney General's remarks about the choice of the word "lack", the interpretation that I gave it was the common usage one—this lack of progress was, apart from having been admitted by Government in both their previous statements on this subject, the backbone of my motion, and it was what was causing my Unofficial Colleagues and me such grave concern and disappointment.

The amendment to the first paragraph is interesting in that it implies that Government have for some time past regarded this question as one of utmost urgency, and yet today they are still gravely concerned and disappointed with the situation. Is this an 'admission that there is no solution to the problem?

Paragraphs 2 and 3 of my original motion contained I think the two constructive suggestions that Government should pursue their building schemes for their own use and that the unofficial bodies should be allowed to do the same. This, I think, would produce the quickest and most rapid results. I said earlier on that the amendment in the preamble removed the backbone from my original motion: the amendment to paragraph 3, I consider, kills it altogether.

Your Excellency, I regret that I cannot support the amendments.

HON. MR. CHAU TSUN-NIN: In reply to the remark made by the Honourable Attorney General, I wish to say that when I said the position today was no better than what it was 24 months ago, I did not mean that no new houses had been built, but that the building did not cope with the increased population which 24 months ago was not more than half a million, but today the number has trebled.

HON. MR. LO MAN-KAM: Your Excellency. After Your Excellency's address which, if I may say so, puts the matter very impressively and which really expresses more than we ourselves can describe, our feelings towards this problem, I personally would be very reluctant to strike any discordant note by any more controversial remarks. Whether I was to say any word in reply to the motion for amendment, depended on what the Government speakers were to say. In view of their remarks, I very much regret that I have to crave the indulgence of this Council for a few more minutes, although it is getting very late. To begin with, I have no more

desire to be frivolous than my Honourable Friend the Attorney General, but after his very severe criticism of the wording of our motion and after listening to all the striking eloquent and persuasive speeches I am wondering why the Attorney General did not move the amendment in some different terms. I suggest that he could very well have moved that the first paragraph should read like this: "that this Council notes with great pleasure, joy and some other adjectives or nouns, the situation in regard to housing recorded in the Colonial Secretary's statement, and is of the opinion that great clapping should be heard in this Council for the work of the Government." Joking apart, the speeches, if I may say so, of the Director of Public Works, and I think, my Honourable Friend the Attorney General, would indicate that Government really have no reason to view the situation with grave concern and disappointment at all. Now, on the wording of this preamble, I think it is purely a question of fact, in the solution of the housing problem, and I think one fairly can say, in brackets, by Government, what progress has been made. Well, I venture to think that the general view is that whatever the reasons may be, the progress in the solution of the housing problem is negligible. If you like to put in words like "substantial", all right; if you say there was a lack of substantial progress, this means there was very little progress. But I think these words express the situation correctly, that in the solution of the problem there has been a lack of progress. This is a statement of fact, it is not an assessment of blame or credit at all. There may be reasons for it; it is purely a statement of fact and I cannot see why Government should object to it. Now, in the first sub-paragraph, "Government should continue to regard" rather than "should regard." —May I say this, that I have not the slightest doubt that His Excellency, Sir Mark Young—and if I may say so without any desire to flatter—that Your Excellency yourself and your high advisers have always regarded this problem as one of urgency. Unfortunately, for some reason or other the policy of Government which is regarded as of such urgency can only be implemented by some Government machinery which very easily gets absolutely clogged by red tape. Now, I speak without any fear of contradiction—that the delay in dealing with this matter for whatever reason has been very serious and has been such as to make one wonder whether Government as a whole has really always regarded this question as one of importance. This officer says the effect of this is negligible, the effect of that is negligible—it may be that the application to Government for the terms of a renewal of a Crown Lease is also very negligible, but I know this: that in answer to one application sent in in June last year the terms have not been formulated now. Now as regards sub-paragraph (2), Government wishes to delete the words "without delay, plan and", presumably on the ground that Government has all along planned on rapid and extensive building, both domestic and office. Now, Sir, as I say, I do not wish to be controversial or more controversial than I need. The need of office accommodation is well known. Elsewhere I have impressed upon Government, and the effect of my remarks was this: "Surely you could put up temporary

offices like those now outside the Supreme Court to house some of your departments. Why should Government offices occupy floor after floor of the most expensive and central offices in town?" I know of people who were here before the war who have been waiting for office accommodation for the last two years and they still have not got it. What plan has Government made to house these various Government offices now in requisitioned premises? Has Government done a thing? Well, sub-paragraph (2), Sir, is meant as a reminder to Government of its failure in this respect. As regards paragraph (3), Sir, — sub-paragraph (3), I agree that in relation to the housing problem as a whole the question of renewal of 75 year Crown Leases has not a very great effect; but Sir, we know that many blocks of flats have been held up owing to this policy. It is all very well for my Honourable Friend the Director of Public Works to say that—"We have told them"—(I think in my case (1))—"You can proceed with your six flats and we will give you the Crown Lease for half of the land." Well Sir, unless we want to go on splitting hairs the effect of it is—"I confiscate half of your property, I give you a Crown Lease for the other half. Go on." Well if that policy is not repressive I don't know what it is. Now, Sir, in reply to both my Honourable Friends the Colonial Secretary and to the Director, I feel that I must say one word more on this question of renewal. Now we have got it from the Government speakers that in 1941 there was no question at all of imposing new building covenants, because in 1941 buildings existed and therefore the only question was—"you the lessee must maintain those buildings in reasonable repairs." Now if there had been no war, to-day presumably the same position would apply. Therefore, if you say,—"Well, because the house has been demolished and because it might take five times or ten times more for you to put back the premises, you still have to do it," one can understand. But the present policy is that it is based on no principle, except that what buildings or further buildings have to be put up, depends on the whim and fancy of the Director. I invited, Sir, Government to consult certain high officers as to the accuracy of my remarks as regards the pre-war practice. From the silence of the speakers in that respect, I infer that what I said was correct and if so I must say this; I have not heard one single word which in my opinion can justify the Government's present attitude and say that now in 1947 I will claim the right of saying to you—"Build here, and build here before I grant it to you," when admittedly in 1941 I never dreamed of exercising that right. I have not heard a single word Sir that Government intends to review this question unless the words in the amendment "that Government should keep under constant review decisions of policy" are meant to give us an indication that Government would do so. Now Sir, as regards my friend the Director's reply to the two cases I quoted, I have dealt with one case and I have suggested that his remarks that Government has done nothing to block the erection of the six flats is not accurate. As regards the other case, I suggest that those who have heard my Friend would say that Government were most reasonable—that so far from being a rapacious monster that the Director was really an

angel with wings. What he suggests is this. He said: "Well, yes, we might have asked you I don't know how many times more for the Building Covenant than we asked in 1941. We might have insisted as a condition that you should build in some miraculous time—a time in which we, the Public Works Department could not do it, but at any rate we might have asked these silly absurd things, but we are very reasonable. All these matters are open to negotiations and if you call satisfy me that the building costs are less or that you require less to build—easy! Negotiate!" Now Sir, may I invite my Friend to find out what reply Government did send to that Company in reply to the Company's letter, protesting against these terms? Did the Director say: "in reply to your letter—Protest! Let us negotiate!" Or what did it say? I do not wish to say anything which may be inaccurate, but I invite my Honourable Friend to table a copy of this reply at the next meeting of this Council. Now, Sir, there is only one more word to which I want to refer arising from the remarks made by the Attorney General, and that is his statement to the effect that even if the Excess Duty provisions were rescinded, the Department concerned would still have to assess in many cases, because of any obvious under-value. Those of us who are not lawyers would never have understood what the Attorney General was referring to. I wish to make it plain. Up to this year, up to a few months ago, as far as I know, when Government says: "I will charge you \$1.00 ad valorem on a conveyance of sale", the policy and practice has always been you pay on what the purchaser in fact pays as consideration. If a man pays \$100,000 for a house and it is a *bona fide* purchase, he pays on \$100,000. Now, owing to some interpretation of some law in England the Assessment Authorities now claim the right of saying that: "I don't care how much you paid for your price, you may be a sucker," —I think that is the expression. —"The purchaser might have succeeded in buying for very much less, but if I choose to value the property as worth \$200,000, you pay on \$200,000." Now, Sir, I regard that as absolutely iniquitous. I hope that this will be tested in due course in the courts, but I don't wish the Attorney General's remarks in this regard to pass unchallenged in the sense that we accept the position. We do not. If necessary, I would press for legislation to make the position clear. We are not concerned with protecting the fraudulent but we are concerned to see that the innocent purchaser should not be mulcted by unnecessary, by improper levies. Sir, I have indicated very shortly the reasons why I regret I am unable to accept the amendments proposed and seconded.

HON. MR. LEO D'ALMADA E CASTRO: I have been a member of this Council only since 1937, and so cannot claim very long experience of it, but in the time since I have been a member I may say I have never heard a debate in which more spirit was displayed, more enthusiasm shown on both sides of the House, and consequently a higher standard of speeches resulting. If I may say so with respect, Your Excellency's speech, if its sincerity could not be gauged from its language, undoubtedly to those of us who have had the pleasure

of hearing it, that sincerity was clearly conveyed by its tone. As to the speech of the Honourable Mover of this amendment, the Honourable the Colonial Secretary, I think I can pay him no higher praise than by saying this, that probably for the first time since he has been a member of this Council has he been audible at the far end of this table.

From the Honourable Director of Public Works we have a number, a large number, of facts and figures cleverly marshalled for which I congratulate him, and as to which frankly I must say with respect to my friend Mr. Gillespie that I think he demolished to a great extent the arguments put forward by the last-named Honourable Member. And when I come to the speech of the Honourable and Learned the Attorney General, may I say he wound up with a debating point and peroration worthy of the best traditions of the Oxford Union Debating Society, and possibly even of Trinity College, Dublin. But, Sir, impressive as was the speech of the Honourable Director of Public Works; full of substance as was the argument that fell from the learned Attorney General; worthy of consideration as were the points made by the Honourable Colonial Secretary, I am not sufficiently convinced to vote in favour of this amendment, and I propose therefore to vote against it; and, should the amendment not be carried, of course in favour of the motion of the Honourable Senior Unofficial.

Before sitting down perhaps I might be allowed to make a few remarks in reply to a reference to my speech made by the Honourable Attorney General. He said that when I urged that Government should continue control over premises as and when they are derequisitioned, I foresaw some of the objections to it, and to those objections seemingly he added one more, that is, that it would be difficult indeed for the requisitioning authority or any other authority to gauge how best to employ premises about to be derequisitioned, and, Sir, on that point he ended by saying this, that on premises being derequisitioned, assurances are exacted from their landlords that these premises will be put to their best use, and my Learned and Honourable Friend went on to say that so far as he knew those assurances had been honoured. I am tempted to ask him whether he has come to that conclusion on evidence such as he and I understand by the word, or whether he has had it at the third or fourth hand, because it seemed to me, Sir, that when he made that remark there was a slight bulge in his left cheek which led me to speculate whether his tongue rested there. Sir, I still maintain that it is relevant to this debate to consider whether or not Government should so assume control of derequisitioned premises, and I say that because, although admittedly it will not carry the solution of the problem very far, and although, as has been suggested by my Honourable and Learned Friend, it really, looked at very broadly, does not improve the matter one whit because you are only going to benefit one class, I say it is the duty of this Government to look after that class in particular, because they are the genuine old-time residents of Hong Kong and I can see no reason whatsoever why, on premises being

derequisitioned, they should be handed back to a landlord who, whatever the value of his assurances to the authority concerned, must doubtless be open to temptations, to pecuniary considerations, which would not weigh or should not weigh with a Government authority who retained control and who is just as fit, if not fitter, to decide how many persons or which persons should be housed in these premises, whereas if left to the landlord you might have the danger of a Shanghai millionaire coming down and occupying premises to which he would have no moral claim so far as this Government is concerned. It is true that to carry out the policy which I have urged means extending control over private enterprise it means further regimentation—I suppose that is the wrong word to use—but controls have proved in many cases eminently salutary in this Colony, and I can see no reason why in this case it should not do so also.

Sir, the debating point and the peroration of my Honourable and Learned Friend the Attorney General should not, I submit, deter this House from supporting the motion of the Honourable Mr. D. F. Landale and voting against the amendment.

HON. MR. M. M. WATSON: I am content to leave the matter in the hands of my three Unofficial Colleagues so far as the answers they have made to the debate are concerned. But there are one or two points which have arisen in connection with the speech I made last time and which I think I should clear up. I do not think that will take very long.

The first point, Sir, is my 1,000 tons, which has been referred to more than once. It is a fact that the 1,000 tons in question, which I am now told has grown considerably, is not I believe what is known as up to the ordinary United Kingdom basis of standard. It is, however, I am told, perfectly good steel, the only point being that you would of course have to use more than the standard steel. However, my Honourable Friend the Director of Public Works did not say it could not be used.

He also referred to a quotation I had made from a correspondent which he said was contradictory to the re-view of the position which showed that the basic materials were in no immediate shortage. The contradiction also occurred to me, and if my Honourable Friend will look at my remarks, he will see that I inserted after the words "my correspondent" the word "nevertheless", and the reason I put that in was to point out the apparent contradiction; but I take it that the quotation from his point of view meant that things would have been very much better if there had been a co-ordinating policy of building

I think the next reference to anything that I said here was made by the Honourable the Attorney General. He referred first of all to the Excess Stamp Duty. I did not suggest that the phase of taking the profit off the increase over pro-war sales had ceased—or at least, I did not intend to convey that—but I suggested that instead of the

Excess Profit Duty which now holds up—and very much holds up—the putting through of a conveyance of land, a three per cent. ad valorem duty should be put on the difference between the two values. There would still be the ordinary one per cent. duty on the conveyance.

He also referred to my reference to the architects' certificates. These are very often a burden in a case where the property sold is small, and in any case, the architect's certificate which is required is an architect's certificate for a building which would hypothetically have been put up in 1938, whereas of course an architect that you are employing is now busy on putting up a building in 1947.

I very much associate myself with the remarks of my Honourable Friend Mr. M. R. Lo on the question of the raising of the consideration by the Stamp Office. If I may say so, my Honourable Friend the Attorney General has rather misread my remarks. They were meant to be ironical. He states that the section under which the consideration is raised comes from an Act which was enacted in England in 1910—the Finance Act. Well, I said so myself. What I said was it appears to have been overlooked in England where it was enacted in 1910; and by all that I meant that nowhere can I find—and neither has the Honourable Attorney General mentioned one—although this section has been in force in England for thirty-seven years, nowhere can I find a case where on a genuine transaction the revenue authorities in England have raised a consideration. I have looked very diligently and the only cases on the subject are completely and widely different from any ordinary conveyance on sale. I still say that the way this section is being put into force by the Stamp Authorities in Hong Kong is disgraceful. (Applause). Since the last time I spoke here, I have come across six more cases where the Stamp Authorities simply said, "We don't mind, we are going to put your consideration up by ten per cent; you pay on it; we don't mind what you paid." I very much join with my Honourable Friend Mr. M. K. Lo in denouncing the method under which this section is being interpreted.

Just one slight personal point. I think the Honourable Attorney General again misunderstood me, when I said I had no document back from the office since April 23rd. When I made my remark last week it was quite true. That was what I meant to say: but I did not make it clear that what I meant was that I had no document back which had been sent out since 23rd April; and that statement—I may say I have checked over my records—is quite correct. Those, I think, are all the points that have arisen out of any remarks that I have made.

There is only one last point I should like to make, Sir, because I cannot support the amendments, and that is for two reasons: the first reason—they do not deal with the point of the motion; and the second—if they were carried, the motion would then have no relation to its original. It may be due to my technical training, but I cannot allow myself to vote for an amendment which totally disregards the

motion which it is proposed to amend. The motion records grave concern from the position as disclosed in the Honourable Colonial Secretary's statement. In the amendment, it is going to show grave concern on the housing situation in the Colony. These things are two entirely different matters, and I still say that I feel grave concern and disappointment from the Honourable Colonial Secretary's statement, because I defy him to point out anywhere in that statement anything that would justify the amendments that he has proposed. Nowhere in that statement is there mention of a house having been built anywhere. I have some doubt in the matter of whether it is even relevant. The motion, therefore, Sir, passed with those amendments, would be a complete exoneration of the Government from the charge made in the motion, which is a criticism of the position arising out of the Honourable Colonial Secretary's statement. That exoneration, I do not think, Sir, the Government is entitled to; and furthermore—I think I am right in my supposition—if this motion is carried, although all the Unofficial Members may vote against it, it will go down in the records that a motion exonerating the Government from all blame in connection with the admittedly distressing housing situation has been proposed by my Honourable Friend Mr. Landale and seconded by my Honourable Friend Mr. Lo; and that, Sir, in my view, shows the absurdity of the amendments that have been proposed, and Hansard will record that for future generations.

If I may say so, Your Excellency, I quite agree that the real point of the debate is the necessity of providing houses. There is a well-known case, known as the Stone Ale case in the House of Lords in 1891. of a dispute between two manufacturers of beer of the trade mark which would appear on their bottles, when they were in practice being sold in the public houses; and in the course of the debate, Lord McNaughton said, "Thirsty folk want beer, not explanations." To the ordinary man in this Colony, I do not think he could be more thirsty in the Sahara Desert than he could be houseless in the present Hong Kong.

For these reasons, Sir, I cannot support the amendments, but I hope that after all the smoke from this debate has cleared away, we shall see a breach—and a very big breach—in the obstructions which this motion is put forward to attack.

H. E. THE OFFICER ADMINISTERING THE GOVERNMENT: I now put to this Council the motion standing in the name of the Honourable the Colonial Secretary. Those who are of that opinion say "aye", those who are of the contrary opinion say "no". The "ayes" have it.

HON. MR. D. F. LANDALE. —Your Excellency, I beg to ask for a division.

The Council divided and the motion was carried by 8 votes to 7.

The General Officer Commanding the Troops, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Financial Secretary, the Honourable Mr. V. Kenniff, the Honourable Dr. I. Newton, and the President voted for, and the Honourable Mr. D. F. Landale, the Honourable Mr. Chau Tsun-nin, C. B. E., the Honourable Mr. Lo Man-kam, C.B.E., the Honourable Mr. Leo D'Almada e Castro, the Honourable Mr. R. D. Gillespie, the Honourable Dr. Chau Sik-nin and the Honourable Mr. M. M. Watson voted against the motion.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT. —This motion is carried by 8 to 7. I now put to this Council the motion standing in the name of the Honourable Mr. Landale as amended by the Honourable the Colonial Secretary. Those who are of that Opinion say "aye", those who are of the contrary opinion say "no". The "ayes" have it.

HON. MR. D. F. LANDALE. —Your Excellency, I beg to ask for a division.

The Council divided and the motion was carried by 8 votes to 7.

The General Officer Commanding the Troops, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Financial Secretary, the Honourable Mr. V. Kenniff, the Honourable Dr. L. Newton and the President voted for, and the Honourable Mr. D. F. Landale, the Honourable Mr. Chau Tsun-nin, C. B. E., the Honourable Mr. Lo Man-kam, C. B. E., the Honourable Mr. Leo D'Almada e Castro, the Honourable Mr. R. D. Gillespie, the Honourable Dr. Chau Sik-nin and the Honourable Mr. M. M. Watson voted against the motion.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT. —The motion, as amended, is carried by 8 to 7.

ADJOURNMENT.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT. —That concludes the business and the meeting stands adjourned until to-day week.