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**OFFICIAL REPORT OF PROCEEDINGS****Meeting of 28th April, 1954.**

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**PRESENT:**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)  
SIR ALEXANDER WILLIAM GEORGE HERDER GRANTHAM, G.C.M.G.

HIS EXCELLENCY THE COMMANDER BRITISH FORCES  
LIEUTENANT-GENERAL SIR TERENCE AIREY, K.C.M.G., C.B., C.B.E.

THE HONOURABLE THE COLONIAL SECRETARY  
MR. ROBERT BROWN BLACK, C.M.G., O.B.E.

THE HONOURABLE THE ATTORNEY GENERAL  
MR. ARTHUR RIDEHALGH, Q.C.

THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS  
MR. RONALD RUSKIN TODD.

THE HONOURABLE THE FINANCIAL SECRETARY  
MR. ARTHUR GRENFELL CLARKE, C.M.G.

THE HONOURABLE THEODORE LOUIS BOWRING, O.B.E.  
(*Director of Public Works*).

DR. THE HONOURABLE YEO KOK CHEANG  
(*Director of Medical and Health Services*).

THE HONOURABLE LEONARD GEOFFREY MORGAN  
(*Acting Director of Education*).

THE HONOURABLE HAROLD GILES RICHARDS, O.B.E.  
(*Director of Urban Services*).

DR. THE HONOURABLE CHAU SIK NIN, C.B.E.  
THE HONOURABLE CEDRIC BLAKER, M.C., E.D.  
THE HONOURABLE LO MAN WAI, O.B.E.  
THE HONOURABLE NGAN SHING-KWAN.  
THE HONOURABLE DHUN JEHangIR RUTTONJEE.  
THE HONOURABLE KWOK CHAN, O.B.E.  
DR. THE HONOURABLE ALBERTO MARIA RODRIGUES, M.B.E., E.D.  
THE HONOURABLE LAWRENCE KADOORIE.  
MR. ROBERT WILLIAM PRIMROSE (*Deputy Clerk of Councils*).

**MINUTES.**

The Minutes of the Meeting of the Council held on 14th April, 1954, were confirmed.

**PAPERS.**

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

<i>Subject</i>	<i>G.N. No.</i>
Sessional Papers, 1954: —	
No. 9—Annual Report by the Commissioner of Rating and Valuation for the year 1952/531	
No. 10—Annual Report by the Director of the Hong Kong Government Office in London.	
The Pensions Ordinance, Chapter 89.	
The Pensions (Amendment) (NO. 2) Regulations, 1954 .....	A. 44
The Law Amendment (Transitional Provisions) Ordinance, Chapter 257.	
The Law Amendment (Transitional Provisions) Order, 1954.....	A. 46
The Consular Conventions Ordinance, 1951.	
The Consular Conventions (Kingdom of Greece) Order, 1954.....	A. 47
The Stamp Ordinance, Chapter 117.	
The Stamp (Bank Authorization) (No. 1) Order, 1954 .....	A. 48
The Emergency (Squatter Clearance) Regulations, 1953.	
The Appointment of Competent Authority under regulation 3.....	A. 49

**CROWN AGENTS (CHANGE OF DESIGNATION) BILL, 1954.**

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to make provision to give effect in the laws of the Colony to a change in the designation of the Crown Agents for the Colonies."

He said: Sir, the purpose of this formal measure is sufficiently explained in the statement of Objects and Reasons. I have nothing to add to that statement.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

*Objects and Reasons.*

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

Her Majesty the Queen has approved that the title of the Crown Agents for the Colonies be changed to that of the Crown Agents for Oversea Governments and Administrations, a title which reflects more accurately the scope of business transacted in the Crown Agents' office on behalf of their oversea principals.

2. This Bill substitutes the new title for the old wherever it appears in this Colony's legislation, and is made retrospective to 1st April, 1954, the date on which the change of title took effect.

**HOUSING BILL, 1954.**

THE COLONIAL SECRETARY moved the Second reading of a Bill intituled "An Ordinance to provide for the establishment and functions of a Housing Authority and for purposes connected therewith."

MR. H. G. RICHARDS seconded.

MR. M. W. LO: —Sir, the Bill before this Council has such far reaching consequences and is of such revolutionary character that I feel I should like to make some observations on it.

For the first time in the history of the Colony, Government has assumed the responsibility of providing housing accommodation for persons now living in overcrowded and unsatisfactory conditions. My honourable Friend, the Colonial Secretary, has told us that Government was now faced with the problem of accommodating about 600,000 people, if one took the surplus populations of the Colony and added those who were squatting on valuable land and on hillsides. As Government's contribution to the solution of this problem, it has produced this Bill. The case for this Bill has been put by my honourable Friend, the Colonial Secretary, with great ability and confidence. But when one bears in mind that this is quite a new venture on the part of Government in the field of housing, and also the magnitude of the task, I think it is permissible for one to entertain certain misgivings and doubts in this matter. It is true that the modern trend is to assume that it is the business of Government to ensure that every citizen can enjoy the primary necessities of life---sufficient food, adequate shelter, health and educational services commensurate with his needs. It is also widely held that Government should ensure this minimum itself in buying, or producing and distributing, the means of satisfying these primary wants, whenever it is apparent that the field is not being adequately covered by private enterprise. But Sir, this ideal is hard to realize in Hong Kong.

My honourable Friend, the Colonial Secretary, has referred in his speech to Hong Kong conditions. What are these conditions? Essentially and inevitably, the field of private enterprise in Hong Kong is larger than that covered by the field of public services. Our Government is organized and, rightly so, to ensure order, peace, due administration of justice, education and public health. But we lack the administrative staff required for the carrying out of huge schemes of social services. It is beyond our resources to set up a Welfare State in the Colony.

Housing shortage is not a Hong Kong condition. It is a universal one. But what is peculiarly a Hong Kong condition is the staggering number of people over whose admittance in the Colony we have no control, and on the duration of their stay we have no idea. I suppose out of the figure of 600,000 people mentioned by my honourable Friend, the Colonial Secretary, as requiring housing accommodation, roughly one half comes under the category of squatters. To deal effectually with the problem

of squatters' resettlement has already entailed, and would entail, vast expenditure of public funds. Apart from this problem, there faces Government the problem of providing accommodation for about 300,000 people. This is the figure of the whole population of a large city in the United Kingdom. Although Hong Kong is a small spot on the map of the world, we certainly should have no cause to feel small, so far as our housing problems are concerned. My honourable Friend, the Colonial Secretary, has stated that capital was not being attracted to schemes for the building of flats which could be let at rents within the means of the greater part of our population. Government has therefore decided to enter into the field of low cost houses, which, as admitted by him, is a difficult one.

Sir, frankly, I have my doubts and misgivings in this enterprise of Government. But I am aware Government has proceeded cautiously and has taken great pains before this Bill was brought into being. I am prepared therefore to accept the principles underlying this Bill.

But arising out of it, I should be glad if Government would clarify certain points.

The first is what is meant by the phrase, "low-cost housing." Is it suggested that Government can build cheaper than private enterprise? Or does it mean that rent charged will be adjusted according to the means of the tenants and will have no relation to real cost? The second is, when the available funds are exhausted, would the Housing Authority continue to build? If so, how would further funds be raised? The third is what are the qualifications for the tenants before they can occupy the houses under the control of the Housing Authority? And finally, what is the extent of Crown Land which would be available to private enterprise after the establishment of the Housing Authority?

THE COLONIAL SECRETARY: —Sir, my honourable Friend Mr. M. W. Lo has very correctly stated that Government has proceeded cautiously before bringing this Bill forward. We have been only too well aware of the gravity of the decision we are taking; this decision has its origin in the gravity of the responsibility which faces us all. It is the very dimension of the problem which makes it necessary for Government to come in and share

with private enterprise the commitment of providing accommodation. My honourable Friend has referred to my statement when I introduced this Bill at its First reading, namely, that capital was not being attracted to schemes for the building of flats which could be let at rents within the means of the greater part of our population, and he appreciates that it is on that account that it is necessary for Government to take steps to assist in the construction of houses for people in the lower income groups in Hong Kong.

My honourable Friend has asked four questions. The first of these is about low-cost housing. The low-cost housing we have in mind is the construction of flats for people within the low income groups. The rent to be charged for these flats will certainly bear a definite relationship to the real cost of these flats. Government has been very concerned about the question of subsidies for housing, but, in face of the magnitude of the problem, we feel that we have no choice but to accept some form of subsidy which, however, it is proposed, apart from the provision of certain staff and office costs, will be limited to grants of land at half its upset value, to assistance in the preparation of sites, and to grants of loans on generous terms. The Housing Societies have already enjoyed the concessions of cheap land and loans on easy terms of repayment, and employers who have wished to build quarters for their staff have also enjoyed the concession of cheap land. Honourable Members will recollect that provision is made in the Bill for the Authority to secure that, in any period of three successive financial years after the 1st April, 1956, its revenues must be sufficient to meet all its outgoings other than those properly chargeable to capital account. Receipts from rents, therefore, will have to cover the Housing Authority's expenses, which would include repayment of the capital sums advanced on loan to cover the cost of the buildings and the land.

The second question probes into the future. The decision to finance the Tai Lam Chung scheme from revenue instead of from the Development Fund, as I have already said on introducing this Bill, will release a further \$40 million for housing in addition to the \$15 million set aside in 1951. We must be given the opportunity of studying the progress made by the Housing Authority, during the period that its operations come within the scope of the funds at present available, before we consider how further financial assistance should be secured thereafter by the

Housing Authority. Honourable Members will recollect that each housing scheme has to be put up separately for the Governor's approval and also that the Bill provides for the Housing Authority to borrow from sources other than Government, subject to the Governor's approval both with regard to sources and to terms and conditions.

The third question refers to the qualifications required from the tenants who wish to occupy the Housing Authority's flats. Here I would repeat that Government's eye has been upon that part of the population of Hong Kong in the low income groups, for whom proper accommodation is not available and has not yet been built. The Housing Authority will have to be allowed discretion in the selection of tenants, of course, but it is not unlikely that they will recommend a method of selection based upon a points system. In this connexion we have the benefit of the experience gained by Housing Societies with their pilot schemes.

Lastly, my honourable Friend has referred to the availability of Crown land for private enterprise after the establishment of the Housing Authority. Honourable Members will recollect that, in introducing the Bill, I said that Government did not expect to solve the problem of providing accommodation alone and that it would hope to have the continuing assistance of the Housing Societies and of private enterprise. It is not proposed, of course, to set aside Crown land suitable for housing exclusively for the Housing Authority. The allocation of sites will have to be related to development plans for the urban areas, and the sites granted for low-cost housing will ordinarily, as I see it, be those considered best suited for the type of housing envisaged; planning must continue to take into account the need for sites for the erection of the better type of housing which private enterprise is willing to finance.

The question was put and agreed to.

The Bill was read a Second time.

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

Clauses 1 to 17 and the Schedule were agreed to.

Council then resumed.

THE COLONIAL SECRETARY reported that the Housing Bill, 1954 had passed through Committee without amendment, and moved the Third reading.

MR. H. G. RICHARDS seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

**URBAN COUNCIL (COMMISSIONER FOR RESETTLEMENT)  
BILL, 1954.**

THE COLONIAL SECRETARY moved the Second reading of a Bill intituled "An Ordinance to make provision for the Commissioner for Resettlement to be temporarily a member of the Urban Council".

MR. H. G. RICHARDS seconded.

The question was put and agreed to.

The Bill was read a Second time.

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

*Clause 1:*

THE COLONIAL SECRETARY: —Sir, I rise to move an amendment to Clause 1. A paper is before Members and I propose that the words "and shall come into operation on a day to be appointed by the Governor by proclamation in the *Gazette*" be deleted. They are unnecessary. An officer has now been designated as Commissioner for Resettlement, and there is no reason why the Ordinance should not come into operation on its publication in the *Gazette* in the ordinary way.

Clause 1, as amended, was agreed to.

Clause 2 and 3 were agreed to.



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Council then resumed.

THE COLONIAL SECRETARY reported that the Urban Council (Commissioner for Resettlement) Bill, 1954 had passed through Committee with one amendment and moved the Third reading.

MR. H. G. RICHARDS seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

### **ADJOURNMENT.**

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

THE ATTORNEY GENERAL: —May I suggest this day three weeks ?

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

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