

OFFICIAL REPORT OF PROCEEDINGS**Meeting of 21st March, 1956.****PRESENT:**HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)

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

HIS EXCELLENCY THE COMMANDER BRITISH FORCES

LIEUTENANT-GENERAL WILLIAM HENRY STRATTON, C.B., C.V.O., C.B.E., D.S.O.

THE HONOURABLE THE COLONIAL SECRETARY

MR. EDGEWORTH BERESFORD DAVID, C.M.G.

THE HONOURABLE THE ATTORNEY GENERAL

MR. ARTHUR HOOTON, Q.C. (*Acting*).

THE HONOURABLE THE FINANCIAL SECRETARY

MR. ARTHUR GRENFELL CLARKE, C.M.G.

THE HONOURABLE THEODORE LOUIS BOWRING, C.M.G., O.B.E.

(Director of Public Works).

DR. THE HONOURABLE YEO KOK CHEANG, C.M.G.

(Director of Medical and Health Services).

THE HONOURABLE DAVID RONALD HOLMES, M.B.E., M.C.

(Director of Urban Services).

THE HONOURABLE PATRICK CARDINALL MASON SEDGWICK

(Commissioner of Labour).

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

THE HONOURABLE CHARLES EDWARD MICHAEL TERRY, O.B.E.

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

THE HONOURABLE NGAN SHING-KWAN, O.B.E.

THE HONOURABLE DHUN JEHangIR RUTTONJEE.

THE HONOURABLE CEDRIC BLAKER, M.C., E.D.

THE HONOURABLE KWOK CHAN, O.B.E.

DR. THE HONOURABLE ALBERTO MARIA RODRIGUES, M.B.E., E.D.

MR. CHARLES RAYMOND LAWRENCE (*Deputy Clerk of Councils*).**ABSENT:**

THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS

MR. BRIAN CHARLES KEITH HAWKINS, C.M.G., O.B.E.

MINUTES.

The Minutes of the Meeting of the Council held on 29th February, 1956, were confirmed.

PAPERS.

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

Subject. *G.N. No.*

Sessional Papers, 1956: —

No. 9—Annual Report by the Secretary for Chinese Affairs for the year 1954/55.

No. 10—Annual Report by the Director of Agriculture, Fisheries and Forestry for the year 1954/55.

No. 11—Annual Report by the Commissioner of Rating and Valuation for the year 1954/55.

No. 12—Annual Report by the Grantham Scholarships Fund Committee for the period ended 31.8.55.

Report of the Select Committee on the Draft Estimates of Revenue and Expenditure for 1956/57.

Emergency (Requisition) Regulations, 1949.

Emergency (Requisition) (Use of Land by Her Majesty's Military Forces) (Norwegian Farm Camp) (No. 3) (Amendment) Order, 1956 A. 14.

Emergency (Requisition) Regulations, 1949.

Emergency (Requisition) (Use of Land by Her Majesty's Military Forces) (Lo Wu Camp) (Amendment) Order, 1956 A. 15.

Emergency (Requisition) Regulations, 1949.

Emergency (Requisition) (Use of Land by Her Majesty's Military Forces) (Quarry Camp) (Amendment) Order, 1956 A. 16.

Diplomatic Privileges Ordinance.

Notification under section 2 A. 17.

**RESOLUTION REGARDING THE REPORT OF THE
SELECT COMMITTEE ON THE ESTIMATES FOR 1956-57.**

THE COLONIAL SECRETARY moved the following Resolution: —

Resolved that the Report of the Select Committee, to which was referred the draft Estimates of Revenue and Expenditure for 1956-57, be adopted.

THE FINANCIAL SECRETARY seconded.

DR. CHAU SIK NIN: —Your Excellency: We are all feeling very partial towards my honourable Friend the Financial Secretary for having managed to present a popular, albeit record, budget. It was with great contentment the community learnt three weeks ago, that he did not propose or threaten any increased taxation during the coming year, inspite of the huge programme of capital works to which we are committed and the record draft estimates for expenditure. My honourable Friend's proposals for meeting the deficit (if it should materialize) are realistic and applauded.

Our very healthy state of finance must be the envy of nearly every other place in the world and accompanied by our achievements during the post-war years, we can honestly say that our record has been without parallel. I feel we can indulge in a little justifiable pride, but while we are engaged in giving ourselves a pat on the back, let us not forget to pay due tribute to those who have been responsible for the secure financial situation in which we find ourselves today. The post war years have been difficult and trying ones for us but inspite of considerable hardships we have, by virtue of Your Excellency's leadership and through our Financial Secretaries, created and maintained a robust state of financial health, and it would be an ungrateful community indeed which did not recognize these facts.

I listened to my honourable Friend's address when he presented the estimates with more than usual interest because I anticipated that with the prospect of what would probably be another record figure for expenditure, he would either have to wield the axe rather heavily on capital projects, or increase taxation—neither of which could be accepted with relish. It was therefore very satisfying to learn that he was letting us have a bigger slice of cake than ever and letting us eat it as well. The

temptation then was to sit back comfortably and say, "Ah, everything we want and nothing extra to pay", and then settle down to practising the fine art of trying to look intelligent but really having a quiet snooze. But one note struck me as rather out of tune and kept me wide awake. I'm afraid I cannot share my honourable Friend's optimism regarding free spending and the remarkable bouyancy of the so called luxury taxation revenue. I think a much more eloquent indication of the times is the drop of \$10,000,000 in Inland Revenue. This is a most significant fact and it is well not to overlook it. It means that profits are falling and the Colony's prosperity should not be taken too much for granted. While we do not need to be pessimistic about the future, let us not delude ourselves into thinking that people are drinking, and smoking and spending more on entertainment because they have more money in their pockets—the drop in Inland Revenue gives the lie to this—rather let us say that people are saving less. This drop in Inland Revenue, should I think, be taken as the amber light—just as likely to turn to red as green. It would, I feel, be in the Colony's interest to encourage greater saving, and as a first step, Government should set the example by economizing and cutting out waste. The cost of Government is assuming larger proportions each year and one can't help wondering when it is going to stop climbing, and whether it is all really necessary. Your Excellency's directive that every economy must be exercised in Government Departments is timely, and already bearing good fruit and I hope this policy will be pursued with vigour.

The honourable Financial Secretary rightly reminds us that we cannot have greater capital works without also incurring increased recurrent expenditure and in particular he referred to larger staffs and the accompanying additional expenditure—more office accommodation, more quarters, bigger provision for pensions, additional leave passages, etc. etc.

It has already been established that considerable savings result when locally domiciled staff are recruited to fill vacancies in Government service, and I understand less emphasis is being placed on the maximum entry age limit of 35, thus making eligible for engagement, more local staff. Provided a person is healthy and able, I don't think being a few years over age should be a deterring factor in his recruitment. The problem of pensions might arise, but this is only a detail and is not an insoluble problem.

Having a bearing on this question of age in regard to eligibility for Government service, is the picture as viewed from the opposite end—the retiring age. I understand a petition has been forwarded to Government for the raising of the compulsory retiring age of locally domiciled Civil Servants from 55 to 60. Man does not commence marking time as soon as he reaches 55 and the tendency all over the world is for people to continue active life well over 60 and even into the 70's.

Generally, retirement at 55 causes great hardship, particularly for those in the lower income brackets. The chances of a local officer finding employment after he retires are practically non-existent and his children's chances of obtaining a reasonable standard of education are jeopardized by early retirement. The war and post-war years have brought about a drop in the number of persons who can afford to get married at the expense of their parents, and most people nowadays tend to marry late and only after they have acquired sufficient savings and a semblance of security to warrant them taking on the responsibilities of marriage. The result is that they are having children at a later stage in life and by 55 the children will not normally be independent and if anything, they are likely to be at the most expensive stage of their education.

The earlier argument that the exigencies of the Hong Kong climate make it desirable in the public interest, for the services of locally born Government servants to be terminated at 55, has long been disproved by the growing number of persons who are able after the age, to carry on useful lives in other more exacting occupations. I understand that in Malaya the compulsory retiring age has been raised to 60 and as the Malayan climate is not nearly so favourable as ours, I see no reason why the age limit should not be the same here.

I am of the view that except in the odd case where on medical grounds it is contra-indicated, a Government Officer at 55 is not a burden in the service, but on the other hand, because of his familiarity with the work he handles, he is likely to be a definite asset when with the frequent chopping and changing of the more senior members of departments, it is only his knowledge that ensures continuity of service and I would urge Government to sympathetically consider raising the compulsory retiring age of locally domiciled staff.

It is pleasing to note that the Co-operative Housing scheme for non-expatriate Civil Servants is proving successful. The preliminary \$10,000,000 set aside from the Colonial Welfare Development Fund is, according to the honourable Financial Secretary, likely to prove insufficient to meet the first applications. My honourable Friend indicates that the initial projects undertaken by this group are proving successful, and I would urge a more generous allocation from the Fund to promote Housing Co-operatives for Civil Servants. This use of the Fund, I consider, to be a sound investment, paying not only the 3½% interest levied by Government, but dividends in other directions also.

In view of the difficulty of finding suitable sites for large building projects, I would suggest that the minimum number forming a co-operative group should be reduced to five so that smaller sites can be utilized. Consideration might also be given to granting individual loans to officers in the higher income bracket (much in the manner of car loans but of course with a longer period for repayment), so that they can buy their flats on the open market. When locally recruited Government Servants have reached the higher salary brackets they are very senior and, I take it, valuable members of Government and the conditions accorded them should be similar to those of their ex-patriate colleagues. I know housing loans are not granted to ex-patriates, but housing is, and the locally employed should not be forced to pay exorbitant rents to live in accommodation that is appropriate to their status.

The co-operative movement in Hong Kong is meeting with growing success and Government is to be complimented for the moral and material encouragement it has given to its promotion. Speaking of co-operatives brings one's thoughts to fishermen and farmers, for whose benefit the movement was originally conceived. Co-operatives will contribute to the prosperity and economic stability of our fishing and farming communities. The Registrar of Co-operatives has amongst other duties, been responsible for the Fish and Vegetable Marketing organizations and these have operated to the advantage of the fishermen and farmers in the nature of higher take-home percentages of wholesale prices of their products (in the case of fishermen 94% and of farmers 90%) and to the consumer in the form of lower retail prices.

It is interesting to note that the local landings of marine fish have almost trebled since 1947 and that the supply of this commodity is now about level with demand. If the fishing industry is to grow, some outlet will have to be found for surplus catches. Until 1950 salt-dried fish was exported to the mainland of China, but since then the Chinese authorities have banned its import, and other markets must now be found. The Chinese are famous for the delicacy of their cooking, and I have often wondered why our enterprising industrialists haven't yet devised a method of canning cooked fish for export. I feel a considerable industry could materialize from fish canning and marketing.

The production of vegetables is now more than half of the total consumption. This is rather remarkable when one recalls that before the war we produced only one fifth of our total consumption and our population then was only a fraction of what it is today.

The production potential of home produced meat is not, unfortunately, fully realized, due mainly to financial difficulties and lack of experience in animal husbandry. In this regard much good work has been done by the Kadoorie Agricultural Aid Association and other Funds, by way of loans and practical assistance to farmers.

Our food producing industries are essential to the Colony and Government has a duty towards its fishermen and farmers to improve their standards of living and to see that their needs are met.

From fishermen and farmers to tourists is quite a step, but both have one thing in common—the future prosperity of the Colony. A growing proportion of the Colony's prosperity accrues from the increasing popularity of Hong Kong as a centre for tourists. My honourable Friend, Mr. Terry made some cogent remarks relating to tourism in last year's budget debate and as a result Government set up a Committee to make recommendations on whether a Tourist Association should be formed, and if so, the shape it should take. I hope Government's interest in tourism will not stop there.

Our natural assets have recently received valuable publicity boosts through the medium of films based on Hong Kong, and although we may not agree entirely with the treatment or interpretation

of some of our customs, we cannot grumble too much as, on the whole, they have been favourable to us and have helped to put Hong Kong on the pleasure-seekers' map.

People in other places in the world (places which have much less to recommend them than Hong Kong) are able to maintain a reasonable standard of living as a result of their tourist trade, and I see no reason why we should not develop tourism as a "national" industry. Our entrepot trade, which has been our traditional means of subsistence, is gradually dying and there seems to be little hope of its early revival. It behoves Government therefore to do everything possible to open up new avenues of livelihood for the people, and one as promising as tourism should be pursued with the utmost vigour.

Our twin problems—land and water—have been deterrents in the past to promoting tourism and these are problems to which there is no immediate solution. The scarcity and resultant high cost of land in the central areas make substantial luxury hotel construction financially prohibitive, and beyond the means of ordinary commercial interests, with the result that Hong Kong has become notorious for its lack of proper hotel accommodation. If private enterprise is unable to meet this challenge, Government should not let it pass by default, and should do everything possible to encourage the building of a tourist hotel. If tourism is to be considered a "national" industry, it would be reasonable to expect Government to assist financially in its establishment and the use of public funds for such a purpose would be an investment in the future.

Adequate sites in the central district do not exist for such a large hotel and for tourism to be successful in Hong Kong, it is essential that hotel accommodation be located conveniently near the shopping centre. There has been talk of the possibility of the military lands reverting to Government in the foreseeable future, and part of this area would, I suggest, be ideal for such an hotel. Failing this, anticipation of stage two of the central reclamation programme may become necessary. Wherever the site, the hotel must certainly be in line with international standards and dimensions.

The construction and operation of such an hotel would overcome our first problem of accommodation, but it would not solve the second one of water, and I see therefore all the more need

for haste in improving our water supply. The local inhabitant grumbles but he puts up with a sticky shirt in the summer, but the tourist who pays for his amenities and expects to get them, will shun a paradise, even if it has every other attraction, if he has to tolerate body discomfort.

Reading the history of Hong Kong one detects a perpetual race between water storage capacity and population. As fast as plans have been formed for greater reservoir facilities, the size of the community has increased—either by natural or extraordinary circumstances. When Tai Lam Chung was planned we expected it would give us the final answer to our water storage question, and it is with the greatest of disappointments that we learn it will in fact do no more than contribute another couple of hours a day to our supply in the dry season. Government is now investigating the possibility of another reservoir at Shek Pik on Lantau which, if feasible is likely to be just as costly as Tai Lam Chung. Even with this further reservoir, the water problem will not be solved and with our rapidly increasing population and growing industrial requirements, the same situation that presents itself today, will confront us again in the foreseeable future. Alternative means of supplementing the supply must be found. Views have been expressed on and off throughout the years on the feasibility of distilled sea water to meet the Colony's fresh water needs. It seems tantalizing that we should be surrounded by water yet plagued with a continual water shortage problem. Vapourization is carried out successfully and on fairly large scales elsewhere in the world and I wonder if it is possible here. Admittedly we have in Hong Kong a different set of conditions; there are deterring factors and the capital involved may be prohibitive. But with the growing scarcity of land, it becomes less and less feasible for the reservation of large areas for catchment purposes and vapourization may be our only solution.

Water is essential to life and I urge that the fullest and most urgent consideration be given to solving this shortage problem. Piecemeal planning and temporary measures are too costly to the tax-payer in the long run and we do not wish to be threatened always with curtailed hours of supply, operating to the detriment of our personal health and comfort, our potential tourist trade and our manufacturing industries.

Water is our cheapest, albeit our scarest, commodity, and Government has stated its policy that while water should pay for itself, it should not be profit producing. But more water will require more recurrent expenditure. The poor man needs water as much as the rich man and if the price of water is to increase, the poor should be assured of his needs within his means. I would suggest that if the cost of water should need to be increased the rate prevailing should remain the basic for the average consumption today, and that a rising scale of charges be imposed for the consumption above this basic quantity, with perhaps special rates to encourage our manufacturers.

Before I leave this water problem, may I ask what has happened to the investigation into the question of fluoridation of our water supply? My honourable Friend and Colleague Dr. Rodrigues, brought this matter up two years ago, and I spoke on it at length in the budget debate last year. Government then promised a reappraisal of the situation but nothing has since been heard of the matter. I would say that two years is long enough for even Government to make up its mind.

Your Excellency drew attention to the importance of our growing industrial strength and the figures you gave Sir, were illuminating and heartening.

You also brought to light, Sir, to the most unhappy situation arising at Kun Tong. Whilst I do not wish to indulge in criminations, the public looks askance at what must be a masterpiece of unco-ordinated planning. It is of course easy to be wise after the event, but it is difficult to understand why the situation was not foreseen. There is a noticeable lack of co-ordination between departments which results in waste and unnecessary expenditure. We have all suffered the inconvenience caused when first one public utility company decides to tear up the road to lay this cable or that main, and then before the tarmac has had time to dry, the next one comes along and does the same, and Government not to be outdone, follows up by laying a new water main or a drain, and so on *ad infinitum*. It would be hilariously funny if it weren't so tragically expensive—to the consumer in the case of the public utilities and the taxpayer where Government is concerned—both one and the same person in the end. Sir, it is our most earnest hope that a system will be devised whereby

the left hand of Government knows how the actions of the right one are going to affect it and that the situation that presents itself at Kun Tong will not be repeated.

The Report of the Tunnel Investigating Committee is awaited by the public with interest and in some quarters, with not a little scepticism. I do not wish to anticipate the findings of the Committee, but the congestion at the vehicular piers and the increasing traffic bottlenecks in the central district are all too apparent and we certainly don't have to await the Report of the Committee, before we recognize these facts. Last year a total of 25,000 vehicles were licenced and the tendency is for the number of vehicles on the road to increase each year. Regardless of the recommendations of the Committee, the problem of traffic congestion in the central area is not going to become any easier, and if the tunnel materializes in seven years time, (at best) it is hard to see any but chaotic traffic conditions developing in the *interim*. Much travelling through town, which would otherwise be unnecessary, becomes necessary due to the location of the vehicular ferry piers. A partial solution would be the diversion of the cross harbour vehicular traffic to points east and west of the central district. Diverting the traffic might take it out of the most congested areas but it won't get it across the harbour. So where do we go from here? If the tunnel is to become a reality, we don't of course, want to be involved in costly vehicular pier construction now, but has anyone investigated the possibility of utilizing landing craft? The military authorities seem to use them as standard equipment and it would appear that they find them satisfactory. Perhaps Government will look into this question with a view to giving immediate release to the pressure of the central district traffic.

The standard of health in the Colony continues to improve and the honourable Director of Medical and Health Services is to be congratulated on the state of the public health which in spite of conditions which are detrimental, is so high.

It is a source of pride to us to learn that our new Kowloon Hospital will be the largest general hospital in the Commonwealth. In 1937 when we opened the Queen Mary Hospital, we took pleasure in being able to count it among the largest and most up to date in Asia, but the Kowloon Hospital will be almost twice as large and we hope it will further enhance our

prestige. The hospital is due to be ready in four years time and I would suggest that the time is now appropriate for Government to commence the training of the many specialists and staff who will be required to give the hospital the professional standing we look forward to.

Good work is being done in the Government Clinics but it is distressing to see the long queues of patients that form, sometimes before dawn, outside these clinics. The clinics are overcrowded and the staff overworked, and although I understand that hours of treatment are being staggered, there is not enough staff to cope with all demands. To alleviate this shortage, Government might consider the engagement of private practitioners on a part time basis. This might also be the solution to the problem of shortage of professional staff that limits the expansion of the school health service.

While I congratulate the honourable D.M.H.S. for the efforts of his Department in bringing about a lower death rate, I wouldn't like to hold him responsible for the rising birth rate. Our rapidly increasing population is our most serious problem today, enlarging and aggravating all our other problems—land, water, social services, employment, threatening our economic livelihood and in time our ability to survive. Unless an outlet can be found for our surplus population, I can see no alternative to some form of birth control or family planning. The problem is serious and Government must endeavour to find a solution.

Generally speaking, Government's plans to develop and improve our education facilities appear to be working with reasonable smoothness. Your Excellency's account of the progress already made in primary school expansion is encouraging. If this rate of progress can be maintained over the next seven years, we shall have gone a long way to solving the most fundamental and important of our educational needs. But by far the greater number of additional primary schools places already formed have been obtained by subsidized and private schools and while I hope that the contribution of voluntary agencies will not slacken, I look forward in the forthcoming year to a considerable increase in the enrolment of Government primary schools.

In Your Excellency's Budget Address last year, reference was made to the development of adult education. I hope it has been possible to proceed further with this for I think there is

a great value in such a scheme. Many of our adolescents and young adults have grown up without the benefits of a full basic education and we have a moral obligation to repair this neglect to the best of our ability. But beyond that, it is very much in the interest of the community that we should do so. A poorly educated adult population contains within it the material which those who may be ill disposed towards us can most easily exploit, and consequently the more widely we diffuse enlightenment through sound education the more stability we add to our social and economic structure.

You closed your address this year, Sir, with a summary of the things we ought to do and the things we want to do, and you urged us to strike the right balance between the two. I believe Sir, under your continuing leadership, this we will be able to do.

MR. C. E. TERRY: —Three years ago, speaking in the Budget debate in this Council, I said that we were to a certain extent living on our own fat, inasmuch as a decline in receipts of Inland Revenue must inevitably ensue once the arrears in collection of Earnings and Profits Tax had been made up. That position has now been reached, and the expected drop in revenue under this head has materialized to the tune of over six million dollars. Although this has been fortunately (and I think also fortuitously) offset by an increase in receipts from what my honourable Friend the Financial Secretary has called "luxury taxation", the fact remains that so long as the present trade position exists there is no room for complacency over the apparent buoyancy of our revenue, and still less for any relaxation of the very close scrutiny to which departmental expenditure is subject. In this connexion, the Honourable Financial Secretary's reference to savings effected by departmental heads is very welcome, and those concerned are to be congratulated. But, Sir, may I stress the view that any such savings, particularly in the cost of capital projects, should be treated as savings, and not merely as windfalls to be expended in another direction or in amplification of the original project.

The record of the Colony's financial position since the reoccupation, so ably summarized by my honourable Friend, is indeed one of which we may be justly proud, and one which undoubtedly cannot be surpassed elsewhere in the world. His description of

some features of the estimates as "possibly conservative" is I think a masterpiece of parliamentary meiosis, and there is every reason to regard our current position with satisfaction though not as I have said with complacency. The most welcome feature of his presentation of our budget, however, is the statement of the priorities which will attach to measures to be taken to meet future deficits should they arise. For the first time, the policy has been defined that if the time should come when we cannot pay for all our commitments from revenue, then our capital expenditure should be financed from reserves, by borrowing, or by increasing taxation IN THAT ORDER OF PRIORITY. This declaration of Government policy, Sir, needless to say receives the full support of the taxpayer.

My honourable Friend the Senior Unofficial Member has referred to uncoordinated planning, with particular regard to Your Excellency's reference to the Kun Tong reclamation. I support his remarks. This appears to me a classic example of "let not thy right hand know what thy left hand doeth"—with the one hand (if I may be pardoned a mixed metaphor) Government says to the factory owner "You must erect your factory at Kun Tong" while with the other they shake an admonitory finger and say "You make smoke at your peril!". I am at loss to understand, Sir, why it was not until the investigations of the interdepartmental committee to which you referred that this anomaly "came to light". The fact that Kun Tong was planned as an industrial area was well known when the extension of the airport was planned, as also was the fact of the close proximity of two of the Colony's large industrial undertakings. Further, Sir, when the Air Navigation (Abatement of Smoke Nuisance) Bill, unofficially shortly intitled the Smog Bill, was introduced in this Council over a year ago, I raised this point (among others) with the Honourable Attorney General, as also I believe did others of my unofficial colleagues. I was assured at that time that this was to be a "clean" industrial area and that consideration was being given to the question of making provision to that end in the leases. This assurance, albeit with some scepticism, I accepted. You, Sir, in your address, put the matter in a nutshell when you said "It would obviously be folly to spend \$100 millions on improving the airport and then to blanket it out with smoke", but it is pertinent to ask why this position is only "now being closely examined", and was not foreseen by the planners. This unfortunately is not the only instance of uncoordinated planning

in relation to this extensive and expensive project—The plan to project the runway in such a manner as to interfere with shipping and harbour facilities, without any consultation with the authorities concerned with the day-by-day operation of the Port, was another, and despite the "reasonable compromise" to which Your Excellency referred in your Budget address in 1954, I am by no means convinced that we shall not sooner or later be confronted with a proposal for further extension or modification to meet what are described as the needs of modern aircraft development. I have discussed this aspect with Government, Sir, and I remain unconvinced that the expenditure of this huge sum on the project as planned will assure us a "trouble free" airport for the future. I was, however, very pleased to hear from the Director of Civil Aviation that at the recent I.C.A.O. conference in Manila the opinion was recorded that future development of aircraft design should be conditioned by existing airport facilities, and that designers should no longer expect airports to be rebuilt to suit their designs.

As far as the Estimates themselves are concerned, Sir, having sat as a member of the Public Works Committee and the Finance Committee throughout the past year, and as a member of the Select Committee whose report is now tabled, I find it unnecessary to comment in detail, particularly having regard to the absence of public comment thereon. There is, however, one head of expenditure on which I propose to remark, namely the expansion of the Government fleet. On page 61—Head 17—Marine Department—Special Expenditure totals over \$2¾ million, the greater part of which is in respect of construction of vessels additional to the existing fleet. On the opposite page, under "Other Charges", Item 9 "Maintenance, minor improvements and stores for craft" is increased this year by nearly a quarter of a million dollars—this of course is the natural result of the increase in the fleet, and this item will presumably be subject to further increase next year when the construction programme now in hand is completed, and to still further increase if more vessels are approved. This, Sir, in my opinion calls for careful consideration from two angles. Firstly, do we need a fleet of this size, and are all the vessels designed and used to the best advantage; secondly, can we economically and at the same time efficiently maintain them? As for the first point, Sir, we have been assured by the Director of Marine that all existing craft are fully employed, and that in fact his own departmental fleet is two under strength. The utilization of craft

allotted to other departments is of course the responsibility of the respective departmental head, but the maintenance of the whole fleet devolves on the Marine Department. I will revert to that question later, but as far as employment is concerned, the major commitments in the new programme are for the Police and D.C. & I. As for the latter, it would appear that we have spent and continue to spend millions for the sole purpose of cutting our own throats, a fact which still does not appear to be sufficiently appreciated in some quarters. As far as the Police are concerned, the estimates show that after an expenditure of over two lakhs, the construction of their "pocket battleship" has been abandoned in favour of smaller craft. We are told that this has resulted in a "saving" of a million dollars—it seems to me however that with our two lakhs we have bought nothing but experience, and that this expenditure could have been avoided by better planning. Similarly, the necessity for the construction of a shallow draft Fire float at a cost of \$670,000 is explained by the fact that the "Alexander Grantham", universally and rightly acclaimed as the finest craft of its kind in the world (and the most expensive!), cannot cope with fires in two of the most congested parts of the harbour owing to its draft. Surely, Sir, this should have been considered when the vessel was designed. Be that as it may, the case for the construction of these craft has been made out, but what of the problem of maintenance? I have already referred to the increase in cost in this connexion, but the practical side calls for more consideration than has apparently been given to date. Figures supplied to the Select Committee by the Director of Marine show that the Government fleet, for whose maintenance and upkeep in efficient running order the Marine Department is responsible, will on the 1st April, 1956 consist of 82 powered craft, rising to 88 by the 1st April, 1957 against a figure of 51 such craft in 1941. Further, the units of the present fleet are much more powerful and have much more in the way of specialist equipment than the pre-war craft; in addition, there are 41 dumb craft also requiring maintenance, with a carrying capacity nearly four times that of the pre-war fleet, although three less in number. The Government Slipway at Yaumati is hopelessly inadequate to cope with this large and costly fleet, and more and more work has to be put out to public yards. Perhaps I should use the word private yards. I mean public as distinct from Government. This in itself may be no bad thing, provided the necessary supervision can be exercised, but from the figures available to me I doubt if the

staff of the department can reasonably be expected adequately to cover the widely dispersed yards which engage in this work. This is a problem which I feel it is imperative should receive very close and immediate study, in view of the capital and recurrent costs involved.

Sir, at the Annual General Meeting of the Kowloon Residents' Association held last Monday, the Chairman again had occasion to refer to the continued denial to the Community of the use of one of our leading scholastic buildings, La Salle College. Before I resume my seat, Sir, may I inquire what progress if any has been made in the negotiations with the Military Authorities for the termination of the requisition of this school?

MR. LO MAN WAI: —Your Excellency: In the former years, the debate on the Budget took place a fortnight after its presentation. This year, we have been given an extra week. This is a welcome change now that our Budget deals with figures running into over \$400,000,000.00. But even with this ample time to ponder on Your Excellency's address and on the Honourable Financial Secretary's speech, I have not much to say in way of criticism. However, there are several matters on which I desire to make some observations. I refer to: —

- (1) Population.
- (2) Housing.
- (3) The Hong Kong University.
- (4) Traffic.
- (5) The sand monopoly.

Sir, in your review of the financial year, you drew our attention to the steady natural increase in our population which is raising serious problems for us as regards housing, employment, education and health services. You asked the question, "What can be done about it?" If I may say so, you were quite right in posing the question, and you were wise in not attempting to answer it. For there is very little that Government can do about it. This population problem is, to my mind, the greatest problem facing us. Look at the number of persons affected under the Resettlement Scheme. Count the number of children in our schools. In spite of what Government is now doing and may do in the future, we may, in the end, be defeated by our excessive population. But it seems to me that Government's responsibility

in the planning of housing, education and health services for the people of Hong Kong implies a corresponding responsibility on their part in family planning. I do not suggest that we could ever or even wish to revert to the good old days with the low cost of living, or as some people would have it, to the bad old days when one could raise a family of 10 without any financial strain. We must assume that the old conditions are gone with the wind, and so I am glad to note that there is a tendency even among the poor and uneducated section of the community not to have too large a family. In this connexion, I venture to say that the Family Planning Association is performing a most useful service and I would suggest that Government should give to it all encouragement and all possible financial support.

A discussion of our growing population naturally leads one to the problem of housing. Sir, it is well known that Your Excellency has taken a great interest in this problem. Your appointment of a new committee on all aspects of the housing problem with very wide terms of reference is but another indication of your deep concern with the health and happiness of our community. As I have the honour and privilege of serving on this Committee, I feel I should refrain from discussing this question now, the matter being, so to speak, *sub judice* in so far as I am concerned. But I would like to express the hope that unlike so many committee reports, the labours of this new Committee would not find a resting place in one of Government's innumerable pigeon holes. But in view of Your Excellency's remarks in your address, I feel confident that if this Committee can produce a constructive report, we may expect not only active Government consideration, but prompt Government action.

Sir, in your address, you dealt very fully with education in primary and secondary schools and in technical colleges. May I say a word on the Hong Kong University? I feel that even those who consider that primary and secondary schools have a higher claim on public funds than the Hong Kong University should realize that these schools cannot function without teachers. Where are these teachers to come from? Concerning this problem, I should like to quote the views of one of our leading educational expert. I quote: "It is most important that Chinese should be taught in Hong Kong secondary schools along modern lines, by teachers who have been trained in modern critical methods and have an approved Teacher's Diploma. The Department

of Chinese at the University of Hong Kong is uniquely fitted to train the teachers of Chinese for our local secondary schools. In the Hong Kong University, the Chinese courses are framed along modern lines, the students come under the influence of strong schools of Western studies and can proceed to a Teacher's Diploma Course with graduates of other Departments. It seems probable that only the University of Hong Kong can produce the type of secondary school teacher for Chinese that is exactly suited to the needs of Hong Kong." These are the words of this leading educational expert.

The University has therefore a most important role even in the field of secondary education. But I think the University is at present under a handicap in having to rely on a Government grant fixed each year. In the words of Logan's report, there are advantages both for Government and to the University in having the grant fixed for a period of years. The system of quinquennial grant obtains in the U.K. universities and also in other Colonies. I do not wish to dilate on this subject, as I understand that my honourable Friend, Dr. Rodrigues, will deal with it in his speech. He has been kind enough to tell me what he proposes to say, and I shall content myself with remarking that I endorse his views.

I would now say a few words about traffic. It is really staggering to learn from the police records of traffic accidents that this year ending 15th March, 33 persons have been killed and 878 persons have been injured. I hope that the traffic safety programme which the Hong Kong Jaycees and the Police are now conducting will help the public to a greater sense of safety first. This traffic safety campaign is all to the good but you cannot have safe driving without traffic regulations brought up to date and efficient enforcement of the law in case of dangerous driving. At present, our traffic regulations are out-moded, and are not easy to find. I understand that new regulations are being drafted. May I urge that they should receive top priority in the Legal Department.

As regards the enforcement of traffic regulations, it seems to me that the Police Department is too prone to regard every breach of traffic regulations however trivial as worthy of a summons in the Courts. This tendency not only leads to the terrible congestion in the Magistrate's Courts, but also diverts the time and energy which might well be spent on prosecutions of serious offences involving danger to limb and life.

A word on the subject of congestion in Police Courts. One suggested solution to this congestion is the creation of a new Magistrate's Court. I venture to hope that before this is adopted, another approach of the problem be considered. I do not see the necessity of taking out a summons whenever a petty offence is committed. Surely a warning should be sufficient in most cases. As pointed out in the Financial Secretary's speech, the establishment of any new Government organization will mean additional staff, involving extra salaries, pensions, more office and living accommodation.

Before leaving this subject, I should like to speak on one aspect of which I have recently become aware. I refer to the pitiful plight of the innocent victims of motor car accidents. However much we may try to do in the way of prevention, motor car accidents will always occur. The unfortunate victims are in most cases poor and ignorant of their legal rights. The idea that they may have a good claim for compensation seems foreign to their mentality. Now that we have third party insurance, it does not seem right that a person totally incapacitated in a motor car accident should not be adequately compensated through sheer ignorance. I know that if the injured person was taken to Government hospitals, the Almoner does help him to get compensation and that the Police also do their part, but in some cases, this is not very effective. I think what is required is the provision of free legal aid to these victims of traffic accidents. I do seriously urge that this should be considered by Government.

Sir, it will be noted that I have made only one reference to the Financial Secretary's speech. The reason is that with one minor exception, I can find nothing to criticize. The one exception concerns his remarks on the supply of sand. Sand is one of the essentials in building operation. The construction of new buildings is one of our most pressing need. The supply of this necessary material is a Government monopoly and is under operation by a Government contractor. Recently there have been complaints by building contractors of the poor quality of sand supplied. What is the Government reaction to these complaints? It is to increase the price of sand from \$8.00 to \$10.00 per cubic yard! I have information from a reliable source that the supply of sand within our territories will be exhausted within two years. Sir, this is a serious situation, and I think it merits the urgent consideration by Government. Granting the necessity for a

Government monopoly in the supply and distribution of sand, I suggest that to meet the needs of the building trade, that there should be a Sand Board consisting of experts in the building business, such as architects and responsible building contractors to assist in the running of the Sand Monopoly. It should be the business of this Board to see to the smooth running of this monopoly and to plan for the future. I am assured on good authority that there are places near our boundaries from which a good supply of sand may be obtained. It will be up to this Board to start the necessary negotiations and to devise ways and means whereby this essential commodity is made available to the building trade.

Sir, in conclusion, I should like to pay two tributes. The first is to the P.M.D. Department. The face of Kowloon and the New Territories has undergone a transformation in recent years. It seems to me that my honourable Friend, the Director of Public Works, although so far as I am aware, he has not received the benefit of an education in Chinese classics, he has learned the lesson embodied in one of the elementary books composed in rhymes which every Chinese student in the old days was expected to learn by heart. There are two couplets which are so apposite to the work that is being done by his Department in Kowloon and in the New Territories that I would ask Your Excellency's permission to quote them: —

人 世 鍊 鑿
 心 上 石 山
 自 無 補 通
 不 難 青 大
 堅 事 天 海

It is beyond my literary capacity to render in poetical language the sense of this quotation. But the meaning roughly is as follows: —

“To cut mountains to the sea level.

To repair the Heaven with well prepared stones.

With a determined heart;

Nothing is impossible in this World.”

Sir, I do not suggest that my honourable Friend, the Director of Public Works, is capable of repairing the Heaven, but he is certainly capable of removing the hills in Kowloon and of reclaiming land from the sea.

The other tribute is to my honourable Friend, the Financial Secretary. But for his restraining hand in resisting all pressure from every Department for more and more, we should not be in our present happy position with a record budget but without increase in taxation. And I am particularly gratified to hear of his announcement that we must look to finance our capital expenditure from our reserves or by borrowing or by increasing taxation, in that order of priority. This is a policy which I had advocated. Sir, may I borrow a phrase which you used in your address and apply it to my honourable Friend, the Financial Secretary? He has struck the right balance.

MR. NGAN SHING-KWAN: —Your Excellency: We are again indebted to you for your comprehensive review of the Colony's affairs, which we have come to regard as an essential feature of Budget Day, that enables us to appreciate more clearly the achievements of the past and to view our future hopes and aspirations in their proper perspective. When your address is studied along with the Honourable Financial Secretary's detailed exposition on our finances, it confirms the general impression that, while there is a great deal to be done, Government has the situation well in hand.

The first thing the average citizen wants to know about the budget is whether or not it involves any increase in taxes. This year our minds were soon put at rest on that score, and I have no doubt that many persons, on learning that our Honourable Financial Secretary did not propose any adjustments to existing rates of taxation, were quite content to leave it at that, and let Government get on with the task of running the Colony. To those who read my honourable Friend's speech through to the end, however, the reward came in the penultimate paragraph, where he informed us that if it became necessary to raise additional funds to finance capital expenditure, we would look first to our reserves, secondly to borrowing, and lastly to increasing taxation. I cannot recollect Government having laid down its policy so clearly in recent years, and this statement has, of course, been well received. In fact, if my honourable Friend could have carried his order of priorities a stage further, and assured us that he would look to indirect taxation before direct, then the verdict in favour of his policy would surely have been unanimous.

Yet, while we have reasonable justification for feeling satisfied with the overall financial situation, there is no room for complacency, as the ever-increasing cost of the administration gives cause for considerable thought. As more and more capital projects are completed, as we build more schools, roads, hospitals and the like, our overheads increase and the day-to-day cost of running the Colony rises. Recurrent expenditure for the financial year 1951/52 totalled nearly \$183 millions; this year we must set aside \$315 millions for the same purpose, an increase of 72 per cent over the short period of five years. It will also not have passed unnoticed, and indeed our honourable Financial Secretary made particular reference to the point, that for the coming financial year, we are asked to approve the establishment of nearly 2,000 more posts than were provided for in the last Estimates. I cannot, therefore, urge too strongly the importance of ensuring that all personnel are actively and usefully employed and that there is a constant search for ways and means of improving departmental efficiency. I was pleased to note from the memorandum on the estimates that stringent economy measures in the Colonial Secretariat have resulted in a saving under the vote for "Other Charges", and I hope that other departments are following this lead.

While on the question of staff, I would like to refer for a moment to a recent debate in the Urban Council, when the impression was given that the Finance Committee of the Legislative Council examines the estimates, which have been so carefully prepared by the various departments, including that of the Urban Services, and reduces the number of staff requested without detailed knowledge of a department's requirements. I would, therefore, take this opportunity of correcting the misunderstanding that has arisen by mentioning that proposed increases in posts—there are rarely any reductions—are already incorporated in the Estimates when received by Unofficial Members. I have, however, made a point of checking the position for the coming financial year and was pleased to learn that it has been found possible to make provision in the Estimates for all the posts requested by the Urban Council.

As usual, the proposed programme of public works is an extensive one, and the variety and scope of the projects now being undertaken by that department are a credit to our Honourable Director of Public Works and his staff. It is clear, however,

that with so many schemes clamouring for attention, we must separate the grain from the chaff and accord priority only to those that are either essential or revenue-producing. Reclamations undoubtedly fall under this heading, and I have no hesitation in supporting the recommendation to proceed with Stage III of the Central Reclamation between Rumsey Street and Morrison Street.

In the first place, we are very badly in need of the land, and secondly, it will be cheaper if we go ahead with the reclamation now, for, with so many old premises being demolished, our building contractors will soon provide the necessary fill at little cost to Government, and indeed at less cost to themselves than would be the case if they had to dump their spoil at, say, Chai Wan. Public Works such as these are not just another item of expenditure, but an investment that will show Government a very good return in years to come, and I hope that a start will be made as soon as practicable.

In my speech before this Council during the debate on the estimates for the year 1952/53, I raised the question of vehicles running into the harbour where there is no protection along the sea wall. That section of Connaught Road West, where a tragedy recently occurred, has long been a notorious danger spot, and the belated action of closing the road, whilst a wall or railings are erected, will not diminish the widely held opinion that something should have been done before now. It should be possible to come to some arrangement which will not interfere with the loading or discharging of junk cargo, yet at the same time afford a measure of safety to vehicular traffic. I, for one, will not feel satisfied until some form of protection is provided along the sections of the praya not within the restricted godown area, and also along the Wanchai waterfront where it is perhaps significant that a low curb is provided opposite Eastern Police Station, but not elsewhere. The public would, I know, appreciate an assurance from Government that the matter is under review. With a little ingenuity a compromise can surely be reached that is acceptable to both the Port Committee and the Traffic Advisory Committee.

One of the most pressing problems facing our Public Works Department is that of water. A few years ago it seemed that Tai Lam Chung might be the answer, but it soon became apparent that even when this ambitious scheme was completed there would

still not be sufficient water available to ensure an uninterrupted supply, and we now learn that at the current rate of consumption the best we can expect during the dry season is a modest relaxation of the present restrictions. There is, however, one bright spot, and that is the fact that the water undertaking is still paying its way, after allowing for the amortization of capital investments and interest on capital at 3½ per cent. That this state of affairs is expected to continue gives cause for satisfaction, and we need have no hesitation about appropriating sums from our reserves for further capital expenditure in this connexion. In the circumstances, it is earnestly hoped that the investigation now in progress will confirm preliminary indications that a reservoir on Lantau is a practical proposition. It is hardly necessary for me to describe the hardship and ill-feeling created by the present restrictions, especially in our overcrowded tenements and, if the experts give the green light for the Shek Pik Valley Reservoir, I urge Government to consider the various details of the project without delay. When water is available for sale from Tai Lam Chung, the profit of the water undertaking will probably increase, and with capital expenses financed from our reserves, there is a possibility that we may be able to build a new reservoir on Lantau without having to raise the water rate.

The large number of domestic and industrial premises that have been erected in recent years and the consequent extension of built-up areas has raised many problems and necessitated the expansion of the various services provided by Government. One of the most essential of these is the Fire Brigade, and I was pleased to learn from the report of the Public Works Sub-committee that our Chief Officer is preparing a comprehensive plan for the full coverage of the Island. I have the impression that the expansion of our fire-fighting facilities has not kept pace with the general growth of the Colony, and I suggest that our Chief Officer should also be invited to submit his proposals with regard to Kowloon, where, if anything, development has been even more extensive. Squatter fires are a problem apart that will solve themselves with resettlement, and I do not seek improvements on that score alone, but several fires have occurred of late that have given me cause for concern regarding the adequacy of our fire services.

It is possibly not generally known that in the event of a fire at, say, Shauiwan or Aberdeen, the only appliances available locally are trailer pumps, which have to be drawn through the

streets by hand. The local residents are always ready to assist the firemen in this task, and the procedure creates considerable excitement amongst the small children in the neighbourhood, but it arouses little confidence in the minds of their parents who doubtless feel that it is hardly in line with modern practice. Furthermore, Sir, these pumps are manned by only two firemen, who, having expended considerable energy in getting to the scene of a fire, then have to start the engine, unreel the hoses and connect up with a hydrant.

I cannot help recollecting that hand-drawn trailer pumps were the only appliances available in the New Territories at the time of the conflagration at Sheung Shui in February of 1955, and whilst it would not take reinforcements so long to get from say Central to Aberdeen as it did to Sheung Shui, there would be a delay of at least 15 minutes before a major appliance reached the scene. It is common knowledge that minutes saved *en route* to a fire may mean the difference between a minor incident and a serious blaze, and I would here draw attention to the Chief Officer's report on the fire that claimed eight lives at Shaukiwan on the 17th December last, in which he states that on arrival the building was well alight and flames on the verge of breaking through the roof. Apart from the trailer pumps I have just mentioned, Shaukiwan is about a twelve-minute drive from the nearest fire station.

The question arises, therefore, not only of obtaining more appliances, but also of ensuring that we have a sufficient number of fire stations to provide adequate coverage for all important localities. In this connexion I would point out that the whole of Kowloon is served by only two stations, one of which appears to be badly sited in the light of present-day requirements, in that it is located at the very tip of the Peninsula, near the Star Ferry.

I have nothing but admiration for the manner in which the Brigade has carried out its duties in the past, but, if we expect it to maintain the same high standard of efficiency, we must ensure that equipment, accommodation and personnel are provided on an adequate scale, and I feel that the requirements of this vital service must be met without delay.

I always follow with great interest our progress in the field of education, and note from Your Excellency's address that during the coming financial year we shall be concentrating on three main

aspects—the expansion of facilities for the training of teachers, the first stage of the new Government Technical College, and the provision of 26,000 new places in primary schools, which is the target set for each year of the Seven-Year Plan for primary education. It would appear from the figures you quoted, Sir, that we have every chance of reaching our objective for the current year, which ends on the 31st of this month, but if we are to be equally successful during the next twelve months, we may have to speed up our programme for the construction of Government primary schools, for it must be remembered that many of the extra places which were made available this year, were obtained by increasing the number of students per class from 40 to 45, and by the adoption or extension of the two-sessional system in existing schools. The three new primary schools, which should be completed within the next twelve months at Mission Road, Hollywood Road and Perth Street, will provide places for 6,480 students, on a two-sessional basis, and it is obvious, therefore, that the success of our plan will continue to depend to a large extent on more places being made available in private and subsidized schools. Our Honourable Director of Education will have an estimate of what may be expected from this source, but it does seem that we should press ahead as soon as possible with the proposed new schools at Fuk Wing Street, Tai Hang Tung and Po Hing Fong, Blake Gardens, otherwise we may fail to achieve our target for the coming year.

The decision to proceed with the construction of a new Technical College is one of which the Colony has every reason to be proud, and in particular the members of the Chinese Manufacturers' Union and others who have contributed so generously towards the cost. One of the reports, which was considered by the Committee on Industry and Trade at the United Nations E.C.A.F.E. meeting, which I attended last month, made particular reference to the fact that Hong Kong proposed to institute courses in production engineering for mechanical engineering students—a point which you also mentioned, Sir, prior to the laying of the foundation stone of the new College. The proposal is a logical and progressive step. The highly competitive world markets in which our manufacturers have to sell their products necessitate their seeking improved methods and procedures aimed at cutting costs and increasing productivity. Though we are, at present, primarily concerned with training technicians and artisans, as our industries develop, so will the

need for personnel trained in production techniques increase. Similarly, there will in time be an increased demand for higher-level training on the administrative side of industry.

I welcome Government's action in appointing a Committee to examine the whole complex question of housing. The fact that we have already allocated over \$105 millions for this purpose from the Development Fund is indicative of the tremendous financial commitments involved. It is obviously a matter which requires most detailed consideration and which must be approached with a broader outlook than hitherto, if we are to formulate a satisfactory long-term policy. In the meantime, the Housing Authority will be proceeding with the various projects it already has in hand. I was particularly pleased to note that the Cadogan Street scheme gets down to the bare essentials of low-cost housing. Notwithstanding the fact that only the minimum permissible floor space of 35 sq. ft. per occupant is provided, the accommodation will be far superior to that in which the persons for whom it is intended now reside, and I shall watch with interest for further details of the proposed rents.

Housing has been the subject of considerable discussion of late, and numerous suggestions have been put forward as to how we should tackle the problem. In view of the recent appointment of the Committee, I do not propose to dwell upon the subject at any length, but there is one aspect to which I would like to refer for a moment. During the course of your address, Sir, you very rightly pointed out that while there is a great deal of private building going on at present, the rents for this type of premises are so high that it does not help to bring about any real improvement of the situation in our overcrowded tenements. It is, however, in the building of dormitories and staff quarters that private enterprise can make a valuable contribution to the low-cost housing problem, and it appears in the Colony's interest that Government should encourage employers to provide accommodation for their staff and families. I hope, therefore, that this point will be kept in mind when planning the development of industrial areas, and that employers, will be advised of the terms upon which land will be granted for the purpose.

The last point on which I intend to address the Council concerns a matter of prestige, and I trust, Sir, that in the circumstances you will excuse me for referring to your own residence.

There appears to be some doubt about the actual age of Government House, but from what I have been able to gather it was most probably built at about the same time as the Old Secretariat, which was 1847, over a hundred years ago. Various alterations have, of course, been made since then, but it is my opinion that the existing premises are sadly out of consonance with a Colony of the size and status of Hong Kong. Nowadays, the Governor, in addition to his normal duties, has to receive and entertain visiting dignitaries and delegations on a much more extensive scale than hitherto, for it is well known that most visitors to the Far East make a point of including Hong Kong in their itinerary. In addition, there are numerous functions and gatherings at Government House to which local residents are invited in far greater numbers than was the case in pre-war days.

From my own observations, I have come to the rather obvious conclusion that the size and layout of the rooms at Government House does not permit the reception of guests in a manner and surroundings as befits the Governor of this Colony, and there must be occasions when the dimensions of the lounge and dining room necessitate restricting invitations to an embarrassing degree. Furthermore, buildings of the age of Government House do not readily lend themselves to extension, and maintenance charges increase with the years.

Some years before the Pacific War the question of a new building more in keeping with the time was under consideration, but the war intervened and the project was naturally shelved, and has never been resuscitated. I can well understand, Sir, that with so many other matters requiring attention, you are reluctant to put forward any proposals with regard to your own residence, but this is a question of both necessity and prestige, and I suggest that the time has now come to prepare plans for a new Government House.

I cannot conclude, Sir, without congratulating our Honourable Financial Secretary on the production of a bold and realistic budget that reflects the sound state of our financial affairs under his most capable guidance. I would like also to express my thanks to him for the comprehensive memorandum and appendices accompanying the estimates, and for his patience in answering our queries. Though the estimate of expenditure for the coming year has once again broken all previous records in magnitude, the

major undertakings in hand and the progress we expect to make in so many aspects of Government, justify the huge sum that we propose to spend, and, Sir, I have much pleasure in supporting the motion before Council.

MR. DHUN RUTTONJEE: —Your Excellency: In your address to this Council three weeks ago, you referred to commerce and industry as being our "life blood" and it is my wish this afternoon to limit my remarks chiefly to these two items.

Last year, as has already been pointed out, the total value of Hong Kong products exported was \$48.4 millions greater than in 1954. This shows a remarkable achievement by our local manufacturers and exporters and a progress of which they may be justly proud. I do not wish to be pessimistic, but I foresee a period of increasing difficulties ahead of our industries. It is always unwise to make a prediction, other than a long term one, but I think it is fairly evident that there have already been indications as to the nature of troubles that lie ahead. The most notable is the increase by other countries in their tariffs, levied with a view to the protection of their own domestic industries. To give some examples, during 1955 the following Governments took these measures against Hong Kong.

Haiti: The Government announced in August increases in the import duties on enamelware, buttons-bands and belts made of plastics, among other products. Until that time, most of the enamelware imported into Haiti came from Hong Kong.

Indonesia: Formerly our largest customer, Indonesia last year was the third highest purchaser of Hong Kong products. During the year that country levied additional import surcharges ranging from 50 to 400% for certain items. The import of other items was banned, including torch batteries, a measure seriously affecting Hong Kong industry, as Indonesia had been the largest market. One of the other items affected was mantles, for use in pressure lanterns. The reason for the detailed import restrictions was that such goods are now produced domestically and the measures were taken to protect the home industries.

Belgian Congo: The authorities announced earlier in the year that the grant of import licences would remain at their discretion, each licence being considered on its own

merits having regard to the fact that it is the intention of the authorities there to develop the industries in that country. In June, 1955, the *Irish* Government authorized the imposition of specific duties on imports of woollen knitted gloves, a measure taken at the instigation of Irish manufacturers to prevent what they termed the "dumping" of this product on the Irish market by Hong Kong manufacturers. In September, a spokesman of the same Government stated that his Government would not authorize the sale of "cheap" men's shirts offered by Hong Kong manufacturers. In November, the *Trinidad* Legislative Council Authorized higher rates of duties on imported Shirts as a measure to protect their home industry. Similar measures were taken by the *Jamaican* Government, though it was announced that the measure was a temporary one.

In South Africa: a "dumping" duty has just been imposed on Hong Kong enamelware.

One last example, in September last year the *Thai* Government announced a ban on the import of certain commodities and raised the duties on others, particularly sports shirts, cotton vests and other knitted goods, and certain types of cosmetics.

There were probably other instances, but in every case Hong Kong was affected and the home industry concerned was protected. I do not advocate that we should retaliate by imposing tariffs ourselves. I am convinced that the postwar success of Hong Kong is due to Government's policy of maintaining this Colony as a free port. But, to safeguard our own future, I urge our manufacturers to take steps now to expand the range of our manufactures by making new products, hitherto not attempted before in the Colony such as bicycles, sewing machines, radios, household appliances and machined parts for assembling in other countries, as only by doing so can we maintain our position as a growing manufacturing territory. At the same time we should also improve the quality and design of our more successful products by using imagination and originality.

I should like to see a more vigorous and progressive policy by Government towards promoting our trade interests abroad. I appreciate that this cannot be done without spending money, but the expenditure need not be large. Government has shown

a fine lead in this direction with the trade publications, attendance at trade fairs, displays on ships and other trade promotion activities. I feel, however, that the Department of Commerce and Industry could go further. It could send delegations abroad, in conjunction with commercial and industrial interests, it could send one officer off as a travelling salesman and thus spread our name to all parts of the globe. It will need money for this, but as Your Excellency has said, trade and industry are the lifeblood of the Colony.

Our manufacturers have already shown great pertinacity in developing products that can hold their own in some of the most discriminating markets of the world and we owe them a debt of gratitude for giving our trade the blessed transfusion that keeps it alive. Our trade will depend more and more on the export of local manufactures and the public interest demands that we give our manufacturers every encouragement. Of primary importance is the provision of suitable land for factory sites.

It is disappointing that development at Kun Tong is held up due to the possibility that smoke from the factories may restrict flying at Kai Tak. I should have thought that this point would have been considered at the very beginning—it is nothing short of astounding to see that it is considered only at the very end and I would like to associate myself with the remarks of my Senior Unofficial Colleague regarding the necessity for better co-ordination between Government Departments. If Kun Tong is to fall by the wayside, then I trust that Government will move urgently in an effort to find an alternative area, such as Gin Drinkers Bay.

So much for trade and the general industries. I would now like to dwell a little on our farming industry and particularly to draw attention to the needs of our New Territories community.

The principal task facing Hong Kong at the present time, which must clearly govern the whole future of the Colony, is the evolution for the mass of the population, of a way of life superior to that enforced north of the border. This requirement calls for advancement in all fields, in particular in the economic and social spheres. In this advancement the New Territories must receive equal treatment with the remainder of the Colony.

One notable feature in the development of the economic position of the New Territories during the past year has been the credit facilities offered to farmers and fishermen by such funds

as the Kadoorie Agricultural Aid Association Loan Fund, the J. E. Joseph Fund and the Funds operated by the Fish and Vegetable Marketing Organizations. The records of all these funds, including the repayment of loans by borrowers, have been most striking. However, these various funds are approaching the limit of what they can do within the money that is available. Government would be well advised to consider the allocation of additional funds—a related requirement must be the provision of more effective means whereby personal savings can be made.

The problem which outweighs all others in the New Territories is the indebtedness of the farmers. The notorious “Kuk Fa” system operates on a large scale, and farmers, driven to this by lack of reserves, borrow grain at usurious rates of repayment. Under this iniquitous system, which was introduced during the Japanese occupation, a farmer who finds himself short of grain, say one month before harvest, borrows from a rich neighbour on the promise to repay from 30% more, up to double the amount of the loan at harvest time. I see from paragraphs 5 and 10 of the Annual Report of the District Commissioner, New Territories, that most rice farmers make little use of cash, relying mainly on barter transactions. They are therefore living on bare subsistence from hand to mouth. It is a well known axiom that subsistence agriculture tends to become sub-subsistence agriculture and I am afraid that is what is happening in the New Territories.

I am informed that in one district of ten villages the total amount of paddy borrowed through the kuk fa system at the second harvest last year was 11,000 catties which is about \$4,000 worth. This may not seem very much, but if these figures are a fair sample of what is going on throughout the New Territories the annual turnover of Kuk Fa loans in a year may not be far short of three lakhs. This is too heavy a burden to be borne by the smallholder farmers and is bound sooner or later to drive them to still worse expedients, such as mortgaging their land or even selling it outright or renting it back from the purchaser. The social and political consequences of allowing this process to continue unchecked can easily be imagined. I advise Government therefore at the earliest possible date to seek detailed information of the extent of the farmers' indebtedness and to set in motion, effective counter-measures, including the generous provision of adequate loan funds at reasonable rates of interest.

Grants for local public works in the New Territories should also be more generous. These funds are used for the construction of small dams, wells, bridges, paths, irrigation channels, repairs to dykes, etc. all of which are of great importance to the farmers. For example, a small weir can benefit the farmer in three ways, (a) ensuring a better crop from his existing land; (b) increasing the area under production by as much as 25 per cent and (c) often enabling an additional crop per year to be grown.

Paths and bridges make it possible for farmers living in out-lying areas to bring their produce to market, whereas today some of these areas are not even cultivated because of the impossibility of farmers bringing their produce to market and carrying back pig feed, fertilizer, etc. to their fields.

The prosperity of the Colony is inter-related with the prosperity of the New Territories, and the New Territories must receive equal treatment with the rest of the Colony.

To come from the country to the town and with special regard to Government property in the Central District. Your Excellency drew attention in your Address to the pressing problem of land, and my Senior Colleagues have already spoken on this subject. Government owns extensive property in the central district, property designed in a more spacious age when elegance was of greater importance than land economy. The elegance is not now so apparent and the dusty old edifices known as the G.P.O., Fire Brigade and Marine Department Buildings cry out for demolition and replacement by modern architecture. My suggestion would be that Government should sell the lot. The G.P.O. would of course have to be relocated on the waterfront—probably on the next area reclaimed in the central district and the Marine Department could be accommodated in the same area. If we go up high enough, we could accommodate quite a lot of kindred departments too. The honourable Financial Secretary is already worrying about the need for accommodation additional to the New Government Offices and here I think is the answer to his problem. The proceeds from the sales of these valuable sites will go quite a way to meeting the costs of new construction. Regarding Central Police Station, I would say "sell that too". Hollywood Road is too much like a rabbit warren for this Station to be efficient. And lastly, I would like

to sell Government House. (*Laughter*) I would respectfully suggest Sir, that the location of Government House hardly lends itself to the dignity of Your Excellency's office, overshadowed as it is by the City's towering blocks of granite.

Before I sit down, Sir, I should like to add my congratulations to those of my Colleagues, to the Honourable Financial Secretary for presenting another popular Budget.

MR. C. BLAKER: —Your Excellency, when you opened this debate you said "each dollar of exports of local manufactured goods is worth much more than a dollar of entrepot trade in terms of net income to the Colony". With these words, Sir, I emphatically agree.

I also feel that it is important for us to look for income in other directions, in view of the increasing adverse balance of our trade amounting last year to some 1,185 million dollars. This figure, to my mind, clearly emphasizes our need for building up our invisible exports.

There is one channel which, in the view of many of my friends, offers a still more profitable "net income" than even manufactured goods. That trade is Tourism in all its implications.

It is difficult to assess what Tourism today means to the Colony, but I have heard it said that it is worth something of the order of \$150,000,000. —this without any real stimulation or backing by Government. I say that whatever the figure may be, it can easily be doubled given the proper encouragement. I am not suggesting that it is possible or even desirable for the whole effort to be made by Government alone—what is needed is that there should be the closest co-operation with private enterprise. There are several ways in which Government assistance is required. Firstly, and I give this the highest priority, is the question of accommodation. Today we have no hotel on the island which has the size or character required for a city of our importance, and we now lose many visitors merely because sufficient or suitable hotel accommodation is lacking. I suggest that Government give consideration to making land available on special terms for a hotel on the island and, in order to assist in its development, to investigate the possibility of a loan from Colonial Development funds.

A second and important feature in which Government's assistance is required is publicity. When one goes into the large tourist agencies in America or Europe, one is confronted with attractive pictures from the Garibbean, Miami, Bali or Capri. Similar literature is also usually to be seen in the offices of Trade Commissioners, Consulates and business firms. In order to attract the numbers envisaged, I think that propaganda on a substantial scale will eventually be required. We must not then be niggardly in making funds available. I say "*eventually*" as until we can offer adequate hotel accommodation I do not advocate publicity on a major scale—rather I consider we should set our advertising sights on local targets with the object of attracting vacational visitors from neighbouring countries. These visitors are usually prepared to accept accommodation in the hotels already existing and can perhaps be fully accommodated there.

No less pressing are minor points arising from current restrictions or on the other hand lack of desirable regulations. Owing to regulations existing at present it is now only possible to tour the Island or the Territories by taxi or bus as no type of hire car service is permitted. In every other major city with which I am acquainted it is possible to hire a high class car with liveried driver for the purpose of sightseeing. Many tourists do not relish a 57 mile trip round the New Territories by taxi. I understand that some special luxury buses are on order for large tourist parties but these do not serve the requirements of individuals or small parties. I recollect that in pre-war days there were several reputable companies operating car hire services and I recommend that the question of licences to permit similar services should again be considered.

I also have in mind the control of guides so that pestering of tourists at airports and wharves can be reduced to a minimum. A licensing system permitting only approved guides to meet tourists could perhaps be worked out and meet the case. It may be remembered that in pre-war days we had tourist kiosks operated by Government on both sides of the harbour. The reinstatement of these merits consideration.

These are some of the matters which, with an increased tourist business, will require close vigilance and regulation if the Colony is not to suffer by comparison in its facilities with other tourist centres.

So that all these points can be kept under close review, I think that the formation of an official Tourist Association is one of our most urgent requirements. A Committee was appointed to consider this whole question as long ago as 17th August and I trust that this is not another instance where "consideration at leisure" is part of the programme.

By and large we have a lot to offer in Hong Kong in the way of our climate, our scenery, our oriental atmosphere, our sporting activities. Each of these has its own attraction for a different category of tourists. Let us accept these and offer them the best that we can provide.

Landlord & Tenant Ordinance.

The McNeill report published in November 1952 recommended that as regards Business Premises various increases were to be made and that control would be arrived at after three years. I submit, Sir, that the time has arrived for further review of this matter. When last debated in 1953 it was stated that "the Colony was passing through one of the worst economic slumps in its history". I say that whatever the extent of the slump was, trade figures are now rising and the opportunity should be taken, at least, to narrow the rental gap between controlled and free premises. Rent for a business is merely part of its general overheads and there is no valid reason why landlords should continue to be singled out as the sole "fairy godmothers". There has also been a large amount of new building since 1953 and this, of course, greatly improves the position.

I consider also that as regards Domestic Premises it is time for review, especially having regard again to all the new building which has taken place. The gap between controlled and free premises is much too great and should be closed up to facilitate ultimate decontrol.

Building Ordinance.

The new Ordinance was passed in December last and we are still without the Regulations, the drafts for which were published in October/November last. I appreciate that there are many complex questions to be considered, but I urge that the new Regulations be expedited in every way, as there are many new building projects held up meantime.

Requisitioning.

Government has, over the past few years, gradually released properties requisitioned, in the immediate post war period, for the housing of families. This has been possible as they have either built additional accommodation or taken private tenancies.

The Services, however, and in particular I believe, the Royal Air Force, continue to hold many properties for the accommodation of Service families and in most cases all efforts by owners to get their property derequisitioned or to negotiate tenancies at fair rental have met with a negative response.

The use of Emergency Powers is desirable in times of need, but I submit that the use of these powers to retain private property for accommodation by families is no longer justified and that the Service Commanders should be requested to terminate all such requisitioning, or Government should amend the Emergency Regulations to abolish the right of requisition for the purpose of domestic housing.

Today in the Colony there is adequate accommodation which the Services could rent under private tenancy, although, of course, they might have to pay a higher rental.

When the Landlord & Tenant Ordinance was enacted the object was to give protection to tenants with pre-war rights, and I do not believe therefore that the Services have any moral claims on the grounds of equity.

Marine Department.

I take this opportunity to support my honourable Friend, Mr. Terry in his comments. It is clear that with the great increase in craft completed and also envisaged, the Government single slipway at Yaumati is quite inadequate. I cannot believe that the dispersal of repairs in numerous private yards leads either to efficiency or economy. The whole problem calls for an overall survey.

Sir, with these remarks I beg to support the motion of my honourable Friend.

MR. KWOK CHAN: —Your Excellency: I deem it our good fortune that we have been able to listen once again to Your Excellency's major speech of the year, on the occasion of the presentation of the budget three weeks ago—an event to which we look forward with enthusiasm every year, and one in which we felt, twelve months ago, that we would likely be missing Your Excellency's participation this year. How fortunate we are that circumstances have turned out to be otherwise and that we are again privileged to be led by Your Excellency in this budget debate.

Like all your previous addresses on similar occasions in the past, Sir, your review of the year 1955 is again the source of inspiration and confidence to the community of Hong Kong.

In your address this year Your Excellency placed special emphasis on the word "ordinary" which was employed to describe the year 1955 in the Hong Kong Annual Report for 1955. Indeed the year 1955 was uneventful in the sense that it was devoid of major catastrophes and of any sharp rise or fall in trade.

Superficially the word ordinary itself sounds ordinary enough. But if we were to look back over the year 1955 and try to find out what the factors were that have made the Year ordinary, we should be able to appreciate that this achievement, if I may be permitted to call it, is in fact the outcome of a concerted effort of all sections of a hard-working community supported by an equally hard-working government.

As far as the community as a whole is concerned, one of the most important contributing factors has been, and I am confident that it will remain to be, the show of resolve to maintain a stable and tranquil place in Hong Kong. Another important factor lies in the special qualities of resourcefulness and endurance of the business and industrial sections of the community in keeping trade going.

Sir, it has surely not been just sitting back and allowing things to take their own course that has made the year ordinary. We all know that trading conditions in the past year were far from ideal. And while our Government continues to honour its pledge so devotedly in the application of the United Nations embargo resolution on the export of strategic goods, which was considered justified according to the shape of things existing at

the time of the passing of the resolution, things have not been made any easier for the striving Hong Kong trader who has enough other trading problems to overcome. Hong Kong trade has been hard hit by the application of the embargo, and I just wonder how much longer we have to wait for the lifting or at least some appreciable relaxation of these controls.

It is a well known fact that many items listed as strategic have for some time begun to find their way into Hong Kong from the China mainland—items which are thought to be sorely needed there. This trend can only give rise to the belief that some degree of self-productivity has been reached in the mainland so that a surplus supply is available for export to Hong Kong and other areas. Is not this good reason enough to ask for the strategic list to be reviewed in the light of changed circumstances?

Sir, in dwelling upon this subject at some length it may appear that I am drifting away from our main topic—the debate on our annual budget. It is my feeling Sir that in considering the income and expenditure of Hong Kong we are justified in going into the question of the sources of income from which we draw our expenditure, as it is largely on the freedom of trade that we depend to keep our income up.

In the estimates we again budgetted large sums of money for resettlement and housing, and very much more will be required for future projects.

Hong Kong has shouldered, for many years, and is continuing to shoulder, at great cost and unaided, this heavy responsibility for finding and providing accommodation of reasonable standards for a largely increased population—a situation brought about by factors so obvious to all.

I venture to say that in the acceptance of this undertaking there is a wider significance than that of trying to solve a domestic problem. In the main this helps to maintain the stability and tranquillity of Hong Kong, and, if I am allowed to say so, constitutes in no small measure a contribution towards the free world, in the broader sense.

If the value of our contribution is appreciated, then it is not difficult to understand why we, in Hong Kong, feel so concerned over the embargo which is continuing to show its crippling effect on our trade—an important source of our income.

Sir, I again urge Government to take further steps to seek the early removal, partial if not complete, of these stringent restrictions.

Coming to the budget itself I hasten to join my voice to the many other voices within as well as outside this Council in unanimous expression of great relief over the announcement of no tax increases made by my honourable Friend the Financial Secretary. Had there been a title such as "Public Friend No. 1" (a less complimentary and contrary sensed title was mentioned in a Council debate two years ago) I am sure this honour would go to my honourable Friend for doing a thing so widely approved. On the other hand, meeting the budget deficit by not resorting to measures of tax increases should not be taken as a cause for complacency, as a huge deficit has still to be met and it is to be met by drawing on the Colony's reserve. Sir, the need of a careful watch over the income and expenditure is still there.

My unofficial colleagues have covered the different aspects of the budget so fully that there remains very little for me to add.

I am glad to know that the implementation of the Kun Tong reclamation scheme for providing new factory sites is progressing so rapidly, but I cannot help feeling amazed like many of my Honourable Colleagues today, over the reference to the question of smoke nuisance which came to light during investigations after part of the initial stages of the reclamation had been completed.

Speaking in this Council on the 23rd March last year, with reference to the same subject, I said, and I quote from Hansard of that year, (Page 107): "The question I would wish to ask now is: whether in the preparation of this new scheme, consideration has been given to the possibility of smoke or dust nuisance from factories eventually built on the site, causing inconvenience to the movements of aircraft, since the proposed area is in such close proximity to the airport."

At the Council meeting following on the 30th March, 1955, an assurance was given by the then Colonial Secretary, who said, "Again, on the subject of Kun Tong, I should like to assure my honourable Friend Mr. Kwok Chan that Government has noted that steps will have to be taken to ensure the effective control of smoke nuisance in the neighbourhood of Kai Tak Airport when industrial development takes place at Kun Tong." This reply was recorded in Hansard of last year on page 138.

After a whole year of planning and progress we now find ourselves having to face this most unfortunate situation. We cannot afford to allow this very valuable land to remain unutilized, nor to abandon the scheme at this stage. If we were to convert this area into a residential district as an alternative, I believe the same problem of smoke nuisance would arise.

Your Excellency's statement that Government is now considering whether it would not be possible to permit factories that, relying on electric power, emit little or no smoke, or otherwise to reduce the smoke nuisance to a degree that would not interfere with the airport, appears to me to be the logical answer. Perhaps we might make it a requirement for the factory owner to install precipitators, apart from those that are relying on electric power, prior to the granting of a licence to build on this site. Suitable sites are now getting very difficult to find, and I, for one, shall be very disappointed if this scheme is abandoned altogether.

Sir, on the subject of the Hong Kong Stadium I heartily endorse the suggestion of my honourable Friend the Financial Secretary in regard to reimbursement of the building cost to the Development Fund from general revenue. His suggestion is both simple and practical. I am almost certain that the Hong Kong Stadium, apart from meeting a popular demand, will very soon prove to be a profitable investment.

Sir, you pointed out in your concluding remark that it is our task and your task to strike the right balance. Both as members of this Council and citizens of Hong Kong, it is our duty to accept this task, and if things go according to the way we wish them to, I have every confidence that the people of Hong Kong will continue to enjoy the same stability and tranquilly which they have enjoyed throughout the period of Your Excellency's eminent administration.

Sir, I have great pleasure in supporting the motion.

DR. A. M. RODRIGUES: —Your Excellency: We can look back on the past year as one of quiet but satisfactory achievement. Our first deficit budget is now expected to show a surplus in the revised estimates.

Once again the Honourable the Financial Secretary is to be congratulated for this efficient handling of the Colony's purse and for his very lucid presentation of the Budget.

The many sighs of relief that followed on the announcement that there would be no imposts this year must have quickly changed to cheers when my honourable Friend announced that should there be need for further financing of capital expenditure, he would have recourse to three methods with taxation as the last choice. This has been termed, rightly indeed, a 'popular' budget.

There are two items on the estimates on which I would like to comment before I proceed to some matters of interest which though not directly connected with the estimates nevertheless have a bearing on the finances of the Colony.

The first is that concerning the cost of the Star Ferry Piers, which has caught public attention and has been referred to by the Honourable the Financial Secretary in his eloquent budget address.

Originally estimated to cost \$7 million in February 1953 the cost of the piers was revised to \$9.8 million in September 1954 and again to \$11.1 million when tenders for the construction of the piers were received in July 1955.

We are informed by the Honourable the Director of Public Works that the first substantial increase was due, very largely, to the costs of the lifts and gangways, which required special designing and construction. Without comparable equipment in the Colony or elsewhere and no available estimates the figure of \$270,000 was allowed as the possible cost. A firm, in fact, the only firm willing to undertake this work in the United Kingdom, will now supply the equipment at the cost of \$2 million.

The second increase of \$1.3 million over the original estimate for the cost of construction, was due to the increased charges made by the contractors who tendered and they gave two reasons for this increase;

(a) To insure against typhoon damage, as they knew the extent of damage suffered by marine works during the typhoon at the end of 1954. They were also aware of the fact that the ferry work would extend over at least two potential typhoon seasons.

(b) To insure against rising costs of labour and materials, which was expected as a result of two other large concurrent schemes in Tai Lam Chung and Kai Tak Airport. (This has already proved to be the case).

I feel therefor that perhaps my honourable Friend has suffered unduly by this reference to the cost of the Star Ferry piers.

The other item which has probably escaped notice by some is the one under Public Works non-recurrent subhead 87 and deals with the reinstatement of the H.K. and Shanghai Banking Corp. Lot ML 298. It may not be realized by the public that this refers to the upper left-hand quadrant of Statue Square (this square needs renaming) and will result in the loss of parking space for about 70 cars. This should remind us of the further loss of parking space for about 700 cars when the City Hall is built. Our traffic and parking problem must be treated more aggressively. Now is the time to study and prepare blueprints for multi-storied parking, with the future extension to the Central reclamation and the Murray Parade Ground as two natural selective sites. But a pre-requisite to multi-storied parking must surely be the installing of parking meters in the central district, for I cannot see private enterprise being attracted to a scheme involving the sinking of a large amount of capital on multi-storied garages while parking remained free next door. These meters should be installed as soon as practicable and the revenue derived from their use might reasonably be applied towards the improvement of existing facilities or to develop new schemes to help solve this sore problem. Other positive considerations should include the utilization of overpasses, pedestrian bridges and subways, all of which have proven successful in other parts of the world. The pedestrian bridges at the Vehicular Ferry piers and the overpass which was recently built and very quickly, to cope with the increased vehicular traffic connected with the Kai Tak scheme, are good examples of the success of such measures in Hong Kong.

The Honourable the Financial Secretary has described Government's hesitation to embark on a scheme for a new vehicular ferry before looking fully into the merits of a tunnel. Honourable Members will undoubtedly be given the opportunity of expressing their views on this subject at some future suitable date. Meanwhile with the cross-harbour traffic in pedestrians and vehicles often reaching saturation point, a decision on the tunnel becomes a matter of urgency. It has a most important bearing on the method as well as on the extent of expenditure that will be involved in solving the cross-harbour traffic problem. Only recently the Chairman of the Board of one of the Ferry companies

announced that the building of another vessel has been delayed pending a decision on the tunnel. This interdependency of projects brings to my mind a subject which I should like to speak upon . . . and it is Town Planning.

Visitors to Hong Kong are always loud in their praise of the natural beauty seen, of the unbounding energy of the people and of the rapidity of growth which is obvious in the many buildings standing side by side, yet each portraying a different form of architecture including the most modern.

But they must wonder, as do some of the citizens (myself included) how the city developed: —on what pattern the roads and streets took their alignment; — what guided the decisions as to where and how many schools, churches, cinemas, public buildings etc. were to be located.

I hope honourable Members will bear with me if I briefly trace the course of Town Planning in Hong Kong from its inception to the present day.

It is, in fact brief indeed, for before 1935 there does not appear to have been any separate organization for Town Planning, and it was only in that year that a Town Planning Officer was first appointed.

The Town Planning Ordinance was passed in 1939 and the same year the Town Planning Board was appointed. Planning was more or less confined to those required for Defence and we then have World War II.

The Board was formed again shortly after the reoccupation.

In 1948 Sir Patrick Abercrombie visited the Colony and produced his Planning Report. A small proportion of this report has served as a guide to future development but the Report as a whole has never been fully accepted. In any case it is now outdated.

It is interesting to note that between 1945 and 1954 the Town Planning Board met only twice, but in 1953 an Assistant Superintendent of Crown Lands was appointed to form a branch of the Crown Lands and Survey Office of the Public Works Department, whose duty it was to carry out with limited staff

ad hoc planning and to coordinate the work of the P.M.D. sub-departments and other Government Departments in planning matters.

Since March 1955 the Town Planning Board has met 7 times and continues to meet at the rate of once a month.

Plans of development for different areas have been in process of preparation. A completed plan is submitted to all interested Government departments, public utilities and other parties and committees involving changes *en route* before final approval and submission to the Town Planning Board, after which it is exhibited to the public for comment. Disapproval may mean further amendments, and when these are found satisfactory the plan is submitted to the Governor in Council for final approval. This then is *ad hoc planning* where considerations for development are limited by the conditions of Crown lease and Crown Lands permits, by the Town Planning Ordinance, the Building Ordinance (which is a code of building and Public Health by-laws) and now the recently enacted Building Ordinance. To date the plans for the North Point and Yaumati Schemes are the only ones that have been presented to the public. At the present rate the Town Planning Board can only get through 3-4 plans a year.

It is accepted that the circumstances leading to the present situation have been extraordinary and to cope with it, rate of development would have to be almost meteoric, but there is every danger that at the present tempo, building can get out-of-hand; —Macdonnell Road and soon Conduit Road serve as two examples and might be called 'Morrison's headaches', not that I have any doubts of the ability of our efficient traffic department to cope with any situation, even to the laying of long lines of immovable railings.

Lest I am misunderstood, I will say that there has been some achievements in the past few years in layout planning and I wish to make it clear that there is no intention of criticising my honourable Friend the Director of Public Works, whom I consider to have accomplished much these difficult years and what is more commendable done so without 'falling into the trenches.'

But I am of the opinion, Sir, that there is an urgent need for a Master Plan for this Colony. Your Excellency has referred to the importance of reviewing the whole housing problem and it

is pleasing to note that the Committee appointed to study this has been given the widest terms of reference. Within a small area like ours no single problem can be isolated and dealt with efficiently, without breeding other problems. Your Excellency did refer to this in your illuminating address and with the help of those valuable points that were then raised, I feel certain that the report of this Committee will contribute largely to this master plan for the Colony as a whole. It will embrace *inter alia*—

(a) Physical planning of all areas extending into the congested areas as well.

(b) Consideration of densities of population with a view to arriving at a figure reasonable of enforcement.

(c) Realignment of present roads if thought necessary and building of new ones, having regard to the allied problems of traffic, etc.

A full plan for roads is to my mind an essential adjunct to the solving of the housing problem. In this respect the provision in the revised estimates for an Engineer for this purpose is a step in the right direction.

Legislation will, of course, have to be introduced to enable some of these to be carried out.

Ad Hoc planning temporarily stems the steady flow of our many problems, it needs a master plan to dam it back for a reasonable time. The present Town Planning sub-department should be fitted to cope with this.

I am fully aware of the import of the Honourable Financial Secretary's warning regarding staff to man our rapidly enlarging services. Yet these services must be bolstered, especially those concerned with health.

My honourable Colleague on this Council has referred to the need for more Out-Patient services and I am in full agreement with him. There is a definite place within these services and the School Health Scheme for an Auxiliary or Part-Time Professional Branch of Government service. I am certain the enrolment of Medical Practitioners to augment the present School Health Scheme will ensure eventually, that all school children will have the benefit of periodic examinations, of continued and regular

immunizations which, as Your Excellency has pointed out, has been a great factor in the well-being of our community, and of medical treatment at reasonable cost. At the present time the School Medical Service is confined only to all Government Schools and some other schools, to the exclusion of a large majority of schools, a situation which is inequitable yet governed by costs. Part-time service will reduce costs considerably as remuneration will be by way of a reasonable fixed honorarium without the added allowances, increase in our pensions list etc.

It is gratifying to note that the services of more local graduates are receiving recognition in the Government service, notably in the Education and Medical Departments. One notes that some now hold positions of responsibility previously held by expatriates while others may be doing so in an 'acting' capacity. These latter are nevertheless being given the opportunity of proving themselves capable of leadership.

I hope this trend continues, nay, increases when the staffing of the Kowloon Hospital is considered. Many doctors will be required including specialists in branches of medicine as well as Science. I note that in this year's estimates of the Medical Department there is provision for a Physicist and this has the qualification "temporary". The New Radio-therapeutic centre which will form part of the new Kowloon Hospital is expected to be the most complete in the Far East. It will surely require at least 3 physicists, and it is obviously a post normally difficult to fill. We should send some of our suitable graduates for this training now. The course takes two years and there will be time also to gain practical experience before the physicists are required in the new hospital.

Other posts could be filled the same way, and hope my honourable Friend the Director of Medical Services will consider this suggestion which while facilitating staff requirements will also give more opportunity to our local graduates.

The University continues to depend upon the public purse for a major part of the funds necessary to maintain its position as a first class University, and the Government subvention for next year will be five millions for recurrent expenditure and three millions for special capital expenditure.

The Colony depends upon its University for the supply of men and women properly trained for the advancement of knowledge and for the filling of positions of responsibility in the professions, in the Government service, and in the community at large. It also contributes an additional share of direct services (especially in the field of medicine), which have long been part of the fabric of our community life.

This mutual dependence has brought with it a growing sense of partnership between the Government and the University, despite the fact that the financing partner may from time to time feel put out when additional demands are made on his purse.

A University cannot remain static if it is to retain its vitality; but it must be stable—and its orderly conduct depends upon the stability and certainty of its income. This stability and certainty has been assured in Great Britain by a quinquennial grant system, in which each University receives an annual Treasury grant fixed in advance for a five-year period, and reviewed at the end of that period. The amount of the grant is negotiated by the University Grants Committee. This quinquennial system has its counterpart in other colonies where there is a University or a University College.

I urge that we adopt this system in Hong Kong, as I am convinced that a quinquennial system would ensure a smoother continuation of the 'partnership', and produce its due 'dividends'. An equivalent to the University Grants Committee could be set up perhaps in the form of an *ad hoc* advisory committee with equal representation from the Government and from the University, possibly together with two experienced University administrators from overseas. This advisory committee, to be effective, would have to command the full respect and confidence of the Government, the public, and the University.

The continuance of our financial support, which we renew afresh each year at this time, is only assured if we know plainly that the University will continue to exercise a strong and evident sense of financial responsibility. Responsibility is built up only in an atmosphere of security; when security is at stake from year to year, sense of responsibility may suffer. A guaranteed quinquennium grant provides the security in which responsibility can grow strong; in which academic freedom is bounded by the limits of settled finance assured over a long term.

I envisage that once the amount of the quinquennium was settled it would be only in the most exceptional circumstances that the question of additional funds would be raised, and this only after very careful scrutiny by the advisory committee.

Parenthetically, I would here remind honourable Members that the University offers the security of continued degree courses to its students and of tenure of appointment to its staff; it is perhaps more in keeping with its responsible status in these respects that it should be offered by the Government terms that are on some other basis than from year to year.

May I quote, Sir, from a part of the "Asquith Report", whose terms were adopted by the Secretary of State as policy, where it accentuates the need for continuity in University financing:

"In times of economic depression the financial position of a Colony deteriorates more rapidly than does that of a highly industrialized country, and it is perhaps natural that at such times education should appear to offer a ready field for temporary economy. We feel it desirable therefore to emphasize that a decision to reduce the grants to university institutions at such times is to be deplored."

Sonic honourable Members may ask: how can a grant possibly be made on such a quinquennial basis, when the Colony's budget is annual? Expecting, of course, the answer 'impossible!'—and by strict canons they would be right. On the other hand, the same is true of the United Kingdom—and there it is the only major commitment that one Government may make in its term of office, in the full knowledge that the government that succeeds it will honour it. Other colonies work on annual budget, but manage, under a 'gentleman's agreement' system, to operate Government subsidy to the Universities or University Colleges on a five-yearly basis. Why should not we do this too, if we are conscious of its advantages?

The committee I have in mind would provide a high-level forum within which a basic mutual understanding could be reached, on all development issues that have financial implications; and its terms of reference might include one along the following lines:

To inquire into the financial needs of the University for the succeeding quinquennium; to advise the Government and the University on the extent of public financial assistance required; and to assist, in consultation with the University and any other bodies directly concerned, in the preparation and submission, in support of any application for public funds, of such plans for the development of the University as may be required to ensure that its facilities adequately measure up to British University standards and meet such local educational demands as are proper to the University within the provisions of its Ordinance.

The next quinquennium in the United Kingdom begins in 1957, and I urge that the first quinquennium for our University be introduced in that year.

Other aspects of education have already received full attention. I have only to repeat the question raised by my honourable Friend, Mr. Terry, regarding an item of unfinished business. Could Government inform us, Sir, when we might expect La Salle College to be reinstated to its proper building?

At this stage I should also echo the question put by my honourable Friend and Colleague Dr. Chau: "What has happened to the investigation into the question of fluoridation of our water supply?"

My honourable Colleague has spoken on housing for non-expatriate Government employees. The rent allowance recommended for them by the Salaries Commission was not accepted by Government and an alternative scheme has merely been palliative. The housing schemes are on a more specific line of treatment and I support my honourable Friend in that there should be more such schemes encouraged. I also hope that those local officers I have previously mentioned will receive consideration in respect of housing. With present day rents forming a fixed 40% of the budget, these officers holding positions of responsibility should be given housing allowances similar to those received by the expatriates whom they replaced.

Recently there has been some correspondence in the press regarding the upper limit for Government employment. There is probably more room in the establishment for the elderly non-pensionable employee, especially in the Trade division, for there

must be some men of previous commercial experience available who would be useful to the department. There should however be better provision for future security, in the form of a gratuity after to years service irrespective of whether the man is 55 years of age or not at termination of employment.

At the present time, under the Pensions Ordinance, even after ten years continuous service no gratuity is given to the employee who is retired at 50 years of age.

My honourable Friend and neighbour has shown us the picture of tourism as seen through financial glasses. His recommendations for improving the picture shows he is well versed on the subject. While I agree that tourist guides should be registered, I suggest that they should also be made to pass an efficiency test concerning their knowledge of Hong Kong so that visitors will take with them the right information regarding our Colony, which has been described as a 'Fat Canary'. Having seen where the 'Fat Canary' derives its beauty, our visitors will also better understand why and how this canary remains free, stirring the world about it with its songs.

THE COLONIAL SECRETARY moved that the debate on the resolution before Council be adjourned until the next meeting of the Council.

THE FINANCIAL SECRETARY seconded.

The question was put and agreed to.

EMERGENCY (RESETTLEMENT AREAS) (AMENDMENT)
GENERAL RULES, 1956.

MR. D. R. HOLMES moved the following resolution: —

Resolved that the Emergency (Resettlement Areas) (Amendment) General Rules, 1956, made by the Urban Council on the 28th day of February 1956, under regulation 10 of the Emergency (Resettlement Areas) Regulations, 1952, be approved.

He said: Sir, the Urban Council Rules for which this Council's approval is asked are designed to raise the total revenue from resettlement area permit fees to a little under one million

dollars per annum. The present revenue accruing from this source amounts to about half a million dollars per annum and the expenditure involved in maintaining and administering the areas in question is rather under \$1½ million per annum. This figure takes no account of the original capital cost of site formation and other initial works, which was very considerable.

The Urban Council has given detailed and mature consideration to this matter and, in formulating these amending Rules, now before Council, has had regard to two main principles: first that the net cost to the taxpayer of squatter resettlement must be kept as low as possible; and second, that due attention must be given to the capacity of the settler to pay, and especially of the poorer type of settler. These two principles are of necessity to some extent in conflict the one with the other, and it has not been found feasible to put forward proposals which would have the effect of making these temporary resettlement areas fully self-supporting.

The rules now before Council will, however, if approved, bring into force a new permit fee structure which is considered by the Urban Council to be workable and fair to all concerned, and which will go a considerable distance towards closing the gap between revenue and expenditure.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

DEPORTATION OF ALIENS (AMENDMENT) BILL, 1956.

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to amend the Deportation of Aliens Ordinance, Chapter 240. "

He said: Sir, the Governor in Council is empowered by the Deportation of Aliens Ordinance to make deportation orders against undesirable aliens including those who have been convicted of crimes. The Commissioner of Prisons as competent authority has also power under that Ordinance to order the deportation of aliens who have been sent to prison for certain specified offences.

This Bill proposes to repeal all those provisions which empower a competent authority to order deportation, so that the Governor in Council will in future be the sole authority for the issue of deportation orders.

This Bill also authorizes the Commissioner of Police to admit to bail persons in custody under deportation warrants, but does not take away the existing right of those persons to apply for bail to a magistrate if they so prefer.

The Bill with this latter provision will ease the congestion in the magistrates courts.

The reasons prompting the proposals contained in this Bill are set out in the statement of Objects and Reasons appended to it.

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: —

The Deportation of Aliens (Amendment) Ordinance, No. 3 of 1955, repealed certain of the provisions of the principal Ordinance whereby an alien was subject to automatic deportation after sentence of imprisonment. The purpose of that amendment was to make the operation of the Ordinance more flexible by giving more discretion as to the issue of deportation orders. The main object of this Bill is to carry this policy to its logical conclusion and to abolish entirely the remaining provisions as to automatic deportation. This is proposed by clause 3 repealing section 8 of the principal Ordinance. The result will be that in future no alien will be deported merely because he has committed an offence; each case will be considered individually by the Governor in Council.

2. Clause 2 of the Bill seeks to amend section 4 of the principal Ordinance by adding the Commissioner of Police and officers authorized by him as authorities to admit to bail persons

against whom proceedings for deportation have been instituted. The reason for this provision is that time is wasted and congestion is caused in the Magistrates' Courts by persons having to go there to apply for bail in cases where neither the Secretary for Chinese Affairs nor the Commissioner of Police has any objection. At the same time it will still be open for the persons in custody under deportation warrants to apply for bail to a magistrate if they so choose.

POLICE SUPERVISION BILL, 1956.

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to amend the law relating to police supervision of certain persons."

He said: Sir, in the statement of Objects and Reasons appended to the Bill I have included what I trust is sufficient explanation at this stage of the provisions and purposes of the Bill. If enacted it will materially widen the scope of Police supervision and by so doing it is hoped that it will make a substantial contribution to the prevention of crime and other undesirable activities in this Colony.

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: —

The Police Supervision Ordinance, Chapter 224, provides that where a person is convicted by a magistrate of certain specified offences, he may, on proof of a previous conviction of any of such offences, be placed under police supervision for a period not exceeding two years. A person against whom such an order is made is issued by the police with an identification book in which is entered the place of his residence, and it is his duty to report to a police station every month and also to report all changes of residence within forty-eight hours of such change taking place.

2. That Ordinance was originally enacted in 1923. Since then the population of the Colony has vastly increased and amongst those who have come here are a large number of persons who do not fully respect the law. It is therefore considered that, for the purposes of preserving law and order in the Colony, the Police Supervision Ordinance is now insufficiently wide in its terms and that it is in particular desirable to extend the class of persons over whom a close eye should be kept.

3. This Bill therefore, repealing and replacing the Police Supervision Ordinance, Chapter 224, provides that—

- (a) not only magistrates but also the Supreme and District Courts may make police supervision orders against persons convicted of offences specified in the First Schedule. It will in future be unnecessary to prove a previous conviction;
- (b) magistrates may order to be placed under police supervision certain categories of persons whose activities are suspect and whom a magistrate already has power, under the Public Order Ordinance, Chapter 245, to order to execute bonds to keep the peace;
- (c) the Governor in Council may make police supervision orders against persons whom it would be lawful for him to deport under the provisions of the Deportation of Aliens Ordinance, Chapter 240. The reason for this is that cases arise from time to time in which it would be quite justifiable to make a deportation order against an alien but in which it is felt it would be unnecessary to proceed to this extreme step if the alien were subject to such supervision in the Colony as would provide safeguards against possible further undesirable activity on his part. The Governor in Council and the Governor are also empowered to order a person against whom a deportation order has been made to be placed under police supervision upon rescission of the deportation order.

4. The operation of police supervision is made more flexible. Instead of the person who is subject thereto having to report once in every month to a police station, he will in future have to report at such times as are specified in his identification book. His identification book will include his photograph and thumbprints.

5. A further new feature of the Bill is that certain criminal offences contained in the Prevention of Crimes Act, 1871, are made applicable to those persons against whom police supervision orders have been made by a court upon conviction of criminal offences.

TRAINING CENTRES (AMENDMENT) BILL, 1956.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the Training Centres Ordinance, 1953."

THE COLONIAL SECRETARY 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.

Clauses 1 to 3 were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Training Centres (Amendment) Bill, 1956 had passed through Committee without amendment and moved the Third reading.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

EDUCATION SCHOLARSHIPS FUND (AMENDMENT) BILL, 1956.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the Education Scholarships Fund Ordinance, 1955".

THE COLONIAL SECRETARY 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.

Clauses 1 and 2 and the First Schedule were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Education Scholarships Fund (Amendment) Bill, 1956 had passed through Committee without amendment and moved the Third reading.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

**INSTITUTE OF THE SOEURS DES MISSIONS
ETRANGERES INCORPORATION BILL, 1956.**

DR. A. M. RODRIGUES moved the Second reading of a Bill intituled "An Ordinance to provide for the incorporation of the Sister Superior in this Colony of the Institute of the Soeurs des Missions Etrangeres."

MR. C. BLAKER 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.

Clauses 1 to 6 were agreed to.

Council then resumed.

DR. A. M. RODRIGUES reported that the Institute of the Soeurs Des Missions Etrangeres Incorporation Bill, 1956 had passed through Committee without amendment and moved the Third reading.

MR. C. BLAKER seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

ADJOURNMENT.

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