

OFFICIAL REPORT OF PROCEEDINGS.**Meeting of 20th March, 1957.****PRESENT:**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR ALEXANDER WILLIAM GEORGE HERDER GRANTHAM, G.C.M.G.
THE HONOURABLE THE COLONIAL SECRETARY
MR. EDGEWORTH BERESFORD DAVID, C.M.G.
THE HONOURABLE THE ATTORNEY GENERAL
MR. ARTHUR RIDEHALGH, Q.C.
THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS
MR. BRIAN CHARLES KEITH HAWKINS, C.M.G., O.B.E.
THE HONOURABLE THE FINANCIAL SECRETARY
MR. ARTHUR GRENFELL CLARKE, C.M.G.
DR. THE HONOURABLE YEO KOK CHEANG, C.M.G.
(*Director of Medical and Health Services*).
THE HONOURABLE JOHN FORBES, O.B.E.
(*Acting Director of Public Works*).
THE HONOURABLE DAVID CLIVE CROSBIE TRENCH, M.C.
(*Commissioner of Labour*).
THE HONOURABLE EDMUND BRINSLEY TEESDALE, M.C.
(*Director of Urban Services*).
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. RONALD THOMPSON (*Deputy Clerk of Councils*).

ABSENT:

HIS EXCELLENCY THE COMMANDER BRITISH FORCES
LIEUTENANT-GENERAL WILLIAM HENRY STRATTON, K.C.B., C.V.O., C.B.E., D.S.O.

MINUTES.

The Minutes of the Meeting of the Council held on 27th February, 1957, were confirmed.

PAPERS.

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

<i>Subject.</i>	<i>G.N. No.</i>
Sessional Papers, 1957: —	
No. 11—Annual Report by the Registrar General for the year 1955/56.	
No. 12—Annual Report by the Quartering Authority for the year 1955/56.	
Report of the Select Committee on the Draft Estimates of Revenue and Expenditure for 1957/58.	
Special Committee on Housing—Second Interim Report.	
Report of the Brewin Trust Fund Committee for the period ending 30th June, 1956.	
Defences (Firing Areas) Ordinance.	
Defences (Firing Areas) (Amendment) Order, 1957	A. 13.
Vehicle and Road Traffic Ordinance.	
Vehicle and Road Traffic (Registration and Licensing of Vehicles) (Amendment) Regulations, 1957	A. 14.
Vehicle and Road Traffic Ordinance.	
Vehicle and Road Traffic (Driving Licences) (Amendment) Regulations, 1957	A. 15.
Telecommunication Ordinance.	
Radiocommunication (Amendment) (No. 2) Regulations, 1957	A. 16.

<i>Subject.</i>	<i>G.N. No.</i>
Telecommunication Ordinance.	
Telecommunication Exemption (Rediffusion Television Subscribers) Order, 1957	A. 17.
Births and Deaths Registration Ordinance.	
Births and Deaths Registration (Amendment of First Schedule) Regulations, 1957	A. 18.
Dangerous Drugs Ordinance.	
Dangerous Drugs (Amendment of Schedule) Order, 1957.....	A. 19.
Nurses Registration Ordinance.	
Nurses Registration (Amendment) Regulations, 1957	A. 20.
Ferries Ordinance.	
Excluded Ferries (Amendment) Regulations, 1957	A. 21.
Ferries Ordinance.	
Excluded Ferries (Ma On Shan and Ho Tung Lau.) (Amendment) Regulations, 1957	A. 22.

He said: With your permission, Sir, I wish to refer briefly to the Second Interim Report of the Special Committee on Housing. Of the recommendations made in that Report, Government has accepted those for a new appointment of Commissioner for Housing and for the undertaking of a housing survey. The remaining recommendations which concern departmental reorganization are still under examination and have not yet been accepted.

**RESOLUTION REGARDING THE REPORT OF THE
SELECT COMMITTEE ON THE ESTIMATES FOR 1957-58.**

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 1957-58, be adopted.

THE FINANCIAL SECRETARY seconded.

DR. CHAU SIK NIN: —Your Excellency, this is a most satisfying Budget. There is so very little to criticize and yet so much for which to be truly thankful. My first inclination upon hearing Your Excellency's encouraging review of the past year's activities and the Honourable Financial Secretary's promises for the year ahead, was to get up this afternoon and say: "Sir, I beg to support the Motion", and then to resume my seat again. I am prompted further towards this line of action by reason of the fact that all the Unofficial Members of Council are members of the Finance Committee and in this capacity they would, during the period between the First and Second Reading of this Bill, have had the Estimates under the microscope and any criticisms they might have had or any amendments they wished to introduce to the figures put forward by the Honourable Financial Secretary, would have been satisfactorily dealt with by now. But the Budget Debate is traditionally the one occasion in the year when the Unofficials can range far and wide without being called to order and we are surely no more than human if we take this opportunity—all too good to miss—to make suggestions which we believe will contribute to the betterment of the Colony; to wield the big stick in quarters where we think it is warranted and to offer here and there a well deserved bouquet.

If bouquets are the order of the day one of my first would go to the Honourable Colonial Secretary for the courage and wisdom with which he, as Officer Administering the Government handled the difficult and dangerous situation that developed in October last year; another would go to the Honourable Financial Secretary for the biggest yet best Budget of all and for the masterly manner in which he presented it; and my next would be for the citizens of Hong Kong who by their ingenuity and industry make this Budget feasible.

Your Excellency opened your address on the Budget with a sane and sober reflection on the problem which enlarges all our other difficulties and overshadows all other questions—the refugee problem. There is today a glimmer of hope that at long last the world is appreciating that this tiny community of ours has borne a burden which the pundits tell us was impossible for us to bear! My Unofficial Colleagues and I when speaking in the Budget Debate of 1955, emphasized the likely consequences of this "impossible

burden." Since then, our problem has been presented in quarters where it was calculated the most good would be done, and now, perhaps prompted by recent events in Eastern Europe, consciences have been stirred and though somewhat late in the day, some consideration seems to be coming our way. We know, Sir, that Government will lose no opportunity to press home its claims and to shift the financial burden onto shoulders more able to carry the weight, but I repeat what I said in 1955 "that acceptance of any help we might obtain from international sources should in no way impair our own authority". The excellent Hong Kong Report for the year 1956 will do much to illuminate our story and I would suggest that copies be sent to all who might directly or indirectly influence our cause.

You referred in your address, Sir, to our unhappy hospital-bed ratio to Colony population. It is very sad to know that though we pride ourselves as a community in keeping abreast with modern trends and development, our hospital-bed situation is still, as it were, in the dark ages. That we can do no better than to keep half way behind our sister Colony of Singapore is most regrettable. Government must of course view the needs of the Colony as a whole, and though hospitals certainly rank high in our list of priorities, there are other problems which would appear to be just as pressing and the plans for the next four years, though giving fair consideration to hospital accommodation, still leave us far short of requirements. Government could however ease this situation by encouraging the voluntary agencies to put up hospitals. Precedents already exist and it is pleasing to note that in the coming year the sum of \$2,000,000 will be made available to the Canossian Missions for the purpose of rebuilding their 133 bed hospital. Voluntary societies have already shown that they can put up hospitals more cheaply than Government and they have proved also that they can run them more economically and as efficiently. The chart facing page 117 of the Hong Kong Report shows most graphically, the situation we could expect to prevail, if the education of our children depended entirely on Government providing all the schools we need. In the ten years from 1946 to 1955, Government has been able to supply less than fifty schools whereas aided schools have jumped from a little over 200 to nearly 400. In short the policy of the Education Department is to encourage voluntary effort to supplement its own contribution. Very few of our children today, could hope for education had not the aided schools come into the picture in

the post war era. It behoves our Medical Authorities, therefore, to follow the example of the Education Department, in making the greatest use of the assistance of voluntary agencies, and in giving them every encouragement to construct and maintain hospitals by offering terms similar to those granted to private educational institutions.

You told us, Sir, that Tuberculosis continues to be our greatest health problem, and that Hong Kong is reported to have one of the highest infection rates in the world. It must stir every conscience too, to read that we have an exceptionally high death rate among children. We are sensible to the fact that the twin problems of overcrowding and malnutrition are the principal contributing factors to our high T.B. infection and death rates, and these are conditions which show no sign of immediate amelioration. We also know that no amount of poverty can of itself produce tuberculosis, but this is a condition in which the disease flourishes. The ideal solution is to segregate all the infectious—to divorce them from the health members of society, for where there is no tubercle bacillus, no tuberculosis can develop—but we shall get nowhere with the control of the disease if we wait until we can hospitalize every case of infectious T.B. —unhappily we can hardly hope to see the dawn of that day. We must therefore do what is practical in the existing circumstances. A few years ago I would have said it was no solution to discover untold thousands of cases of tuberculosis when we had no possible way of treating them, but in the last few years, such great strides have been made in producing effective drugs, that today a large percentage of tuberculosis sufferers can be very successfully and economically treated in out-patient departments. It should therefore be our immediate aim to bring to light as much tuberculosis as possible, and to afford the sufferers all possible treatment in out-patient departments, and hospital treatment where practicable. I am well aware that the existing Clinics are overcrowded and the staff overworked and I appreciate that the unearthing of great numbers of T.B. cases is likely to throw an impossible strain on them, but we are not going to help the situation any by treating the same few people all the time simply because we do not wish to cope with any new cases—cases who in the meantime are creating more new cases and by delay in seeking treatment, making their own recovery more doubtful. Has consideration been given to the establishment of subsidiary clinics at which treatment can be carried out after the initial X-Ray and

diagnostic procedures have been completed? The normal course of ambulatory treatment continues, without variation, over a number of months before further investigation is required, and I am of the opinion that one well equipped and well staffed Chest Clinic can feed a number of these subsidiary clinics which can be spread out over a wide area, so ensuring maximum use of facilities available and the treatment of a much greater number of patients.

The overcrowded clinics and overworked staff apply not only to the Chest Clinics but to all Government Clinics. Comparatively few people can hope to obtain treatment in the recognized clinics and many are, as a result, driven to seeking attention at clinics of doubtful character. It is the prerogative of the sick to demand and to receive adequate medical care, and Government has an obligation to ensure that no person, no matter how poor, is deprived of proper attention. Last year, my honourable Friend and Colleague, the Director of Medical & Health Services informed us that the clinics were fully staffed and he indicated that the congestion was due rather more to inadequate accommodation than to shortage of personnel. Plans are now going forward for more new polyclinics and I hope that these will reach fruition at an early date. There may be difficulties in procuring all the staff required for the new polyclinics, and the proposed subsidiary clinics, but I am assured by both the British and Chinese Medical Associations that their members will be forthcoming to serve on a part-time basis in whatever clinics they may be required and I would urge again most earnestly, that the assistance of the private practitioner be enlisted to help alleviate the pressure on our Clinics.

In 1951, it gave me much satisfaction to comment on the expected arrival in the Colony of one of the first radioactive cobalt bombs produced in the world. Since then, however, we seem to have been content to rest on our laurels and little, if anything, has been done to expand our X-Ray Therapy services—which like all our other services has been feeling the weight of our swollen population. Cancer unfortunately, is a disease that tends to increase with the greater tempo of modern life, and today, our meagre radiological service is unable to cope with more than a very small percentage of the cases seeking treatment. When cancer strikes, the fortunate few with means can seek treatment in Europe or America, but the large body of patients do not find

themselves in such favoured financial circumstances. In many types of cancer and malignant growths, there is no successful alternative treatment to Radiological therapy. The burden of providing these facilities must fall on Government because the cost is prohibitive to private institutions. I am well aware that provision is being made in the New Kowloon Hospital for a modern diagnostic and therapeutic radiological department, but it will be at least four years before these facilities can be made available to the community. In the meantime, many of those now on the waiting list for treatment will have ended their days prematurely and in agony for want of adequate facilities to cater for their needs promptly. I wonder if Government would care to indicate what interim measures it proposes for the improvement and expansion of our X-Ray therapy service?

Before leaving matters pertaining to health, I would like to say it gives me very great pleasure to note that the sum of \$280,000 has been included this year as a preliminary towards the fluoridation of our water supply. This is a measure I have repeatedly urged and I firmly believe it will pay handsome dividends in the future in the matter of better teeth and better health for our children.

And speaking of children brings me naturally to the subject of education. The encouraging report on educational development during the past year which Your Excellency gave is sustained by the Honourable Financial Secretary's announcement of Government's school building programme for the year that lies ahead. The Seven Year Plan is now well in its stride and has already produced a very substantial number of new school places. At its inception, the plan was designed to cater both for existing children who were not in school, and to provide also for the greatly increased child population of the future that our high birth rate makes inevitable. But as I see it, there is also a further consideration which cannot be left out of account. There is today a large number of unregistered schools in the Colony. Many of these schools are unregistered because they do not conform to recognized standards. A number of them are undoubtedly serving a very useful purpose by supplying education for thousands who would otherwise be uncatered for, but the fact cannot be ignored that many more may do greater harm than good to the children who attend them. It is clearly advisable that such schools should not be tolerated in their

present state but they must be encouraged to overcome their deficiencies and to improve their standards. To stimulate the best of them in their endeavours, some sort of official recognition could be granted them in the nature of say a "substandard" grading when they could attain a certain level of improvement. In my opinion however, primary school education should have as one of its aims, the making of all unregistered schools redundant as soon as possible. I realize of course that there is a speed of expansion beyond which it would be unsafe to go if one wishes to preserve educational standards. That speed is determined principally by the output of teachers. During the past year, Grantham Training College was expanded so as to enable it to treble its enrolment. But even then that will not be enough to provide both for the staffing of all the new schools that are needed and to repair teacher wastage. I would welcome a statement by Government on its plan for further development of teacher training facilities.

With Your Excellency's views on the value to Hong Kong of first-class facilities in technical education, I am in full agreement and it is gratifying indeed to learn of the degree of co-operation from private sources that has been given to Government in connexion with the construction and equipment of the new Technical College. I have no doubt that that co-operation will continue after the College is opened, for local Industry is now more aware than ever that it can sustain itself only by having in Hong Kong a reservoir of trained technicians who in their skills can match those produced in other countries. The urgent attention being paid elsewhere to this branch of education should of itself be enough to persuade us of its value.

I must also mention our post-secondary colleges—as we call them. I am glad to know that their value is fully appreciated for I am convinced that if they develop along the right lines they will fill a gap that has always existed in the educational system of the Colony, but which was fully apparent only in these last few years. Having encouraged them to establish themselves firmly in Hong Kong I hope Government will now give thought to their future status. I am fully aware that it may not be easy to determine this precisely at the moment, nevertheless, the matter must be looked at now, and a decision reached as soon as possible. In my opinion, there need be no fear that their purpose will conflict with that of the University.

These colleges serve a large section of the community for which the University does not cater, and in so doing they are, like the Technical College supplementary to the University and not its rivals.

I have spoken at length about education because it is the education of our children today that produces our wealth of tomorrow. I have mentioned technical and post-secondary education but we must not overlook the needs of the children who are unable to proceed to these institutions of higher learning. We have discussed in Council and out, the problem of our rising birthrate and in particular the pressure it produces on our schools. Consonant with this problem, is the even greater problem we shall have to face in a few years time, and that is the problem of outlet for children of school leaving age. Our industries are expanding it is true, but I cannot foresee that industry will be able to absorb all the labour that will be available. This then is a question I pose today in the hope that between now and the early 1960's when the first of the children resulting from our stepped-up birthrate can be expected to appear on the labour market, something will have been planned to ensure that every young person leaving school has the chance of earning a decent livelihood.

Your reference, Sir, to Britain's open door policy for Colonial goods is timely and to the point. It is, if I may so put it, and I do so in all sincerity, an article of our Colonial faith that whenever it is possible or reasonable to do so, we should support measures designed to serve the interest of the United Kingdom, from those protection we continue to receive as we have received in the past, so much that is good. Indeed, our goodwill in this respect is only limited by our ability, but it must be abundantly clear to friends and critics alike that any failure of our industrial activities fully to replace the inevitable decline in our traditional entrepot trade, would have a disastrous effect upon our economy, geared as it inevitably must be, to the realistic facts of greatly increased population and fiercely competitive neighbours.

It must be obvious that the meagre resources of technical background and negotiating skill available to our infant industries cannot cope with those of countries that have been able, over a period longer than that of the Colony's existence, to devote funds and knowledge to building up Trade and Industrial

Councils, advisory bodies and even propaganda machines for the protection of their own interests, and I suggest that the magnitude and certainly the proportion of our exports to the United Kingdom has not been presented in proper perspective. It is, therefore, the duty of Government to do more than look benevolently upon our embryo industrial associations and to afford them that active assistance and support that will enable them to hold their own in dealings with their powerful and wealthy prototype elsewhere.

Nor must we let it be forgotten that our imports from the United Kingdom last year were almost double our exports to Great Britain. Any barriers erected against our trade with the United Kingdom must inevitably have contra-effects on our ability to continue importing to the same degree. And as a footnote to the foregoing, does the Hong Kong worker deserve any the less his bowl of rice simply because he is more industrious than his counterpart elsewhere?

In conclusion, Sir, I should like, with all due deference, to express on behalf of my Colleagues, myself and the community at large, our gratitude to you, Sir, for another year of brilliant leadership and of selfless service to the people of Hong Kong.

I support the Motion before Council. (*Applause*).

MR. C. E. M. TERRY: —This year's Budget is a record, not only in its amount, but in its non-controversial content. The editor of one of our leading newspapers who went so far as to forecast that the Unofficials would find it difficult to discover points of criticism in the Estimates was indeed correct—not, may I say, through any sudden rush on our part of acquiescence in Government policy but rather because the bulk of the Estimates relates to projects and programmes which have already been fully discussed and approved, and in some cases, have been "on the stocks" for years. It is also a fact that over recent years we the Unofficial Members have been much more closely identified by means of Select and Progress Committees with Government policy, with current developments and projects than ever before. As a result our surveillance of the expenditure of public funds has been more in the nature of a progressive audit than an annual overhaul. My honourable Friend, the Senior Unofficial Member, has dealt fully with many points on which we are all generally agreed, I know that my Colleagues who will follow me will deal with

other points. I do not therefore propose to waste the time of this Council or the public or the space in the newspapers with needless repetition. Suffice it to say, Sir, that I support the views expressed by my honourable Friend, Dr. Chau.

I add my congratulations to my honourable Friend, the Financial Secretary, on the clarity of his presentation of the Estimates. On several occasions over the past years I have referred to the "mysteries of Government accounting" and I have advocated bringing it more into line with commercial practice. My honourable Friend, the Financial Secretary, since his assumption of that office, has progressively introduced several welcome steps in that direction, and the Estimates as now drawn up are, I venture to say, a model of clarity. They leave nothing to be desired. In particular, his latest innovation of "lumping" sundry sub-heads under the main head of expenditure of the respective department is a good one, and will eliminate many unnecessary supplementary votes. I feel sure that the responsibility which now devolves upon Heads of Departments for the proper supervision and administration of this new system will be adequately discharged. The other major change which my honourable Friend referred to as now under consideration, that is to say the production of separate Budgets for recurrent and capital items, is one about which I have rather mixed feelings. On the face of it, it is logical and in accordance with commercial practice. It should present our financial position in a truer perspective. But it cannot be forgotten that Government operates on what essentially is a cash basis, in that expenditure is governed by the revenue obtained or anticipated, and while presentation in the manner proposed—I think a little diffidently by my honourable Friend—would obviously be readily accepted by the accountancy or financially minded, I am not sure that it would not confuse the issue for an ordinary type such as myself. I am no financier, and it is with considerable trepidation that I embark on speculations of this nature, in a sphere in which the Financial Secretary has shown himself a past-master. But I now take a step, Sir, further along the road which traditionally "the angels fear to tread", and I refer to the Colony's investments. The drop in book value of these investments of no less than \$34.6 millions at first sight is an alarming figure. Consideration of the details of these investments contained in the Annual Report of the Accountant General removes that alarm.

They are all dated stocks and I am given to understand that the maturity date has been taken into account more than the interest yield. What strikes me forcibly, however, is that of our surplus funds—and I refer to pages 62 and 63 of the Accountant General's Report—we have less than \$2½ million invested in our Colony (in our own loan) as against over four hundred million in sterling investments and nearly \$22½ million in Malaya. I do not know, Sir, why we have chosen to invest our surplus funds in Malaya rather than in "supporting home industries". I do not advocate for a moment any form of gamble with public funds, but it does seem to me that such funds should be available to the Colony rather than to other territories. It is perhaps not out of place in this connexion to quote from the speech of the Chairman of the Hongkong & Shanghai Banking Corporation at the recent Annual Meeting when he said, and I quote: —

“It was not until the end of 1955 that the credit squeeze in the United Kingdom began to make itself felt in the eastern territories in which we operate, but during 1956 the shortage of credit to a greater or lesser degree became a matter of increasing concern to merchants and bankers alike. This was aggravated in our case by the fact that some concerns which had previously obtained a large part of their finance in London now turned to us, while on the other side, depositors took advantage of the high rates obtainable in the United Kingdom to transfer some of their funds there. Governments also were not slow to follow suit and as a result the banking system in a number of territories was deprived of substantial sums at a time when the demand for advances, mainly for productive purposes, was very active. Even from a purely revenue producing angle I wonder whether this action was wise.”

I may say, Sir, that I am still quoting: —

"Has not the lure of higher interest rates caused them to lose sight of the increased revenue that would have accrued to them through taxation had the funds been available for local development?"

It is not clear to me, Sir, how much if any of this is intended to refer to Hong Kong; certain it is that the reference to the attraction of high interest rates does not apply, but I would

welcome the views of my honourable Friend the Financial Secretary on the question of the investment of surplus funds locally rather than in other territories.

Sir, turning away from the Estimates themselves for the time being, in Your Excellency's address to this Council three weeks ago, in the course of your review of the medical problems facing us, you referred to the Hong Kong Society for the Blind. As Chairman of that Society I am glad of this opportunity publicly to express my appreciation of the work which has been and continues to be done by the Blind Welfare Section of the Social Welfare Office of Government. A very close liaison has been established between that office and the Society, and we have received invaluable assistance from the Social Welfare Officer and his staff in these past formative months. We have arrived at a clear deliniation of the present respective responsibilities of Government and of the Society, arrived at that deliniation, Sir, very harmoniously and, as Your Excellency said one of the responsibilities which the Society is undertaking is that of educating people to take proper care of their eyes. But, Sir, any such educational propaganda cannot hope to be wholly successful unless it is supported by legislation, legislation aimed at the elimination of the charlatans, unregistered, unqualified, who for the sake of gain maltreat the eyes of patients so misguided as to consult them, in such a way as to aggravate the condition and even cause the blindness which they should prevent. It is estimated, Sir—how accurately I do not know—that there are probably 400 to 500 of these quacks practising in the Colony, and when I first spoke in this Council three years ago on this point I stressed the necessity for the enactment and enforcement of preventive legislation. There are many facets of such legislation, all of which require careful consideration and I do not think it necessary to enlarge upon them at this stage. My honourable Friend the Attorney General has very courteously taken steps to initiate an inquiry as to what similar legislation is enacted in other Colonies or territories but irrespective of the result of that inquiry I express the hope that Government and this Council will accept the necessity for speedy action in this matter, and that my honourable Friend's Department will shortly be empowered to draft the requisite legislation.

Before resuming my seat, Sir, I would like to make a brief reference to an item in the Public Works Programme as shown in Appendix 2 on page 139 of the Estimates. In Category C,

the heading of which is "Other Public Works considered desirable in regard to which no immediate action can be contemplated on account of the staff position or otherwise" appears Item 23, "New General Post Office Kowloon", which is bound up to some extent with Item 15 "Government Offices Kowloon" in the same category. As a Member of the Select Committee on the Public Works Programme, Sir, I have agreed with regret to the inclusion of that item in Category C and I believe that that is its true priority in relation to other present commitments. I trust that it will not be consigned to the limbo of forgotten things, and I hope that the members of that Select Committee on Public Works Programme, whoever they may be in the future, will use all endeavours to advance it to a higher priority as soon as practical.

I support the Motion before Council. (*Applause*).

MR. LO MAN WAI: —Sir, in rising to speak on the debate on the current Budget in this new Chamber, I would like to turn for a few moments to the past. Honourable Members will recall that on the occasion of the ceremony unveiling a plaque at the entrance lobby to this new building, Your Excellency made an interesting comparison between the cost of the old Secretariat Building and the new building and pointed out that the Central Government Offices, when completed, will have cost nearly a hundred times more than the old building and Your Excellency at the same time referred to the tremendous growth of the population since 1848. On this occasion, I feel a comparison of the present budget with the one for the year 1848 will also be of interest. But to obtain the figures of the budget for the year 1848 would entail historical research. Unfortunately unlike Your Excellency, I have not at my command, your facilities to do any research. However, without going back long ago as a century, it will serve my purpose if I were to choose the year 1923, the year in which Your Excellency commenced your distinguished career in the service of Hong Kong. The budget for that year showed the Revenue was just under \$20 millions. The approved estimated Revenue for 1957—1958 is \$500 millions. So in the course of only 34 years our Revenue has been increased by 25 times.

Sir, Your Excellency must feel a sense of satisfaction in presiding in this new Chamber over the deliberations of this year's budget and I am sure this feeling is shared by all honourable

Members. But for me this Budget is also a source of embarrassment. It covers so many fields that it is quite beyond my capacity to deal adequately with all the items. I shall therefore confine myself to only a few matters. But while a Budget of this magnitude does impose an enormous task on honourable Members, I feel that there is some consolation inasmuch as I am here not as an elected member. Not being an elected member, I don't have to advertise, advertise and advertise and have to pay a huge fee for the privilege of seeing my photo splashed in the front page of an evening paper; I don't have to claim credit for this and that; I don't have to enter into arguments with my colleagues as to who was responsible for setting up important Government Committees; I don't have to explain why promises made before election could not be fulfilled after election; I don't have to write to the Press making unfounded claims, such as, for instance, that the postponement of the Landlord and Tenant (Amendment) Bill was due to my strong pressure; I don't have to—but, Sir, I must resist the temptation of continuing in this strain and proceed to my proper business of this afternoon.

Sir, in your address you drew our attention to the Colony's Annual General Report 1956. The opening chapter is indeed worth reading. It is a masterly review of what has been done by Government in ten years to meet the needs created by the vast increase in the population. I feel we should be proud to have heard from Your Excellency of the measures taken by Government in the field of Resettlement and other steps to aid the refugees. There is no doubt that the huge influx in our population has imposed an enormous burden on our physical, financial and administrative resources. But there is a credit side. As was pointed out in the opening chapter of this year's Hong Kong Annual Report, some of the refugees have brought with them a surplus of labour, new techniques and new capital. It is due to their enterprise and capital that so many cotton mills have been established since the war and a new residential centre was created in North Point which has become known as "Little Shanghai". But as stressed by Your Excellency, we are entitled to some help from outside in dealing with and finding a solution for the refugee problem.

Figures may in some cases be misleading but in other cases they enable us to have a proper appreciation of the real situation. My honourable Friend the Financial Secretary has informed us

that the figure for the cost of Resettlement this year is about \$20 millions. When we bear in mind that the cost of running the whole Colony in the year 1923 did not exceed this figure, it is quite evident that we are spending a lot of money on the refugees.

Sir, Your Excellency in speaking on hospital accommodation referred to the continuous growth in our population. In my opinion this is the basic problem facing Hong Kong. In the old days it was the universal wish of the Chinese people to have a large family and a large number of sons was considered a great blessing. But the economic conditions nowadays impose a severe burden on parents rearing and educating their children. It is therefore not surprising that there is a tendency among Chinese people to be interested in Family Planning. There is one and only one organization, namely, the Family Planning Association which helps married persons seeking guidance in this all-important matter. I feel there is room for other agencies to carry on the good work. I would therefore advocate that Government should take a direct concern and it seems to me that the Social Welfare Office is the logical department to be interested in advising and educating married couples on this matter.

Sir, Your Excellency has given us a clear account of Government contributions in the field of primary, secondary and technical education. I was particularly interested to note the beginnings of the important development in technical education. For I sometimes wonder what opportunities for employment in Hong Kong are open to the growing number of students after they have finished their education in the primary and secondary schools.

While what future holds for these students with only a primary or secondary education is problematical, there can be no doubt that Hong Kong lacks persons with technical qualifications. Sir, in your remarks on Housing you said it was not yet possible to give effect to one recommendation of the Special Committee on Housing, which Government had accepted promptly, because of quite exceptional difficulties in the field of recruitment. It appears to me therefore that the position amounts to this. To implement the recommendation of the Special Committee on Housing requires the engagement of technical men,

i.e. engineers. We have no qualified engineers and we find ourselves in difficulties in recruitment abroad because they are reluctant to come to Hong Kong on Government terms. To get rid of this impasse, I feel something should be done by Government to train persons in Hong Kong to acquire the necessary qualifications. But frankly, I cannot say what can or should be done.

In regard to my friend the Honourable Financial Secretary's speech, I have little to say beyond expressing to him my admiration and sympathy for his having to stand on his feet for three quarters of an hour immediately after a painful operation and complimenting him on having presented another Budget without any increase in taxation. We are in fact in the nice position of being neither overtaxed nor undertaxed.

I welcome the proposal that for future years the Budget should be confined to recurrent revenue and recurrent expenditure; capital receipts and capital expenditure being dealt with in a form of a Capital Budget. If adopted, this should enable the tax payer to more readily appreciate the proportion of the annual revenue that goes to capital expenditure and I hope it will lead to a demand that moneys for productive capital expenditure should be raised by loans.

I would like to comment on one item of the Revenue referred to by my friend the Honourable Financial Secretary. He drew attention to the increase in Revenue from rates. He pointed out that Rates in the financial year 1947/48 yielded about \$10 millions and for the present financial year, the revised estimate is \$56³/₄ millions. But before the imposition of the Profits Tax, it was the chief source of Revenue. It is a fair tax and is levied upon owners and occupiers in beneficial occupation of all tenements, *i.e.* any land, with or without buildings, which are held or occupied as a distinct or separate holding or tenancy. The basis of rateable value is the annual letting value of a tenement. Due to the absurdly low rent of the premises under the control of the Landlord and Tenant Ordinance, which comprise all the pre-war buildings, the rates payable by the tenants of these buildings are about three times less than those payable by tenants of new buildings. From the point of taxation, is this fair? Tenants of old buildings enjoy the same Government services as the tenants of

new buildings, but they pay very much less. Apart from many other good reasons, I submit that this alone is sufficient justification for Government to revive the Landlord and Tenant (Amendment) Bill which was put in cold storage at the time of the Suez Canal crisis. I trust that this important Bill has not been lost in one of the pigeon holes in this vast building.

I would like now to touch upon two pressing traffic problems.

The first is the question of "unit density" in Central district and particularly in the area between Murray Road and Central Market which is conveniently known as "the square mile". The second is the need to improve road junctions at the Garden, Murray Road and Queen's Road junctions.

In regard to the first question, this has become a matter of urgency in view of the tremendous development taking place in the very limited area of Central district. To use a police parlance, from information received, I can state that the new Jardine House will be 16 floors high, Whiteaway's 16 storeys, Shell House about 16 floors and the Hong Kong Hotel site 19 floors. Such large buildings must increase the number of persons having offices therein. For instance, the old Jardine building which afforded office accommodation for about 300 persons, when rebuilt, will accommodate about 1,250. It is quite obvious therefore that very many more persons will enter the central area than at the present time. One can foresee the danger that such crowds will create at peak office hours when the crowds will be so dense that the existing main traffic will be unable to move. Allied to this problem, is the question of parking. There is a school of thought which considers that it is essential for these buildings to make provisions for off the street parking within their building lots. But personally I do not agree with this. And even with such provisions, the roads are going to be inadequate to carry this density of traffic. It seems therefore essential that every opportunity must be taken to acquire land in order to widen existing roads. Another suggestion is to distribute the building of such tall buildings over a far wider area so that there will be more even distribution of both pedestrian and vehicular traffic. This problem is of course a matter of town planning. But although I do not myself think the suggestion is a good one, it should, I feel, receive due consideration.

The second problem relates to the "bottle-neck" at the Garden Road/Murray Road and Queen's Road junction. With the annual increase in the number of vehicles being licensed, this difficult "bottle-neck" will become even more of a problem than it is at present. Last year an additional 4,018 vehicles were licensed, this being the greatest annual increase of vehicles registered and thereby bringing the total number of vehicles registered in the Colony to 29,000. This figure excludes tramcars and Military vehicles and represents 100% increase in the number of vehicles in a period of six years.

Accidents in Central district are mostly of the 'Damage only' category, but in the course of a year, such accidents amount, in terms of money, to approximately \$240,000. The average speed of vehicles on these roads at peak periods is 2 miles per hour and 4,000 vehicles per hour pass through this "bottle-neck". This situation is going to become progressively worse and although it cannot be said to be alarming at present, it will be so in a few years time.

I feel that now is the time to consider improvements and that the difficulties in dealing with these problems when saturation point is reached, will be very much greater than when anticipatory planning has been done.

Unless we can acquire Military and Naval land to widen these roads very considerably, there appears to be no alternative but to build an overhead 'fly-over' and elevated road. Government could examine the problem of constructing a 'fly-over' to take traffic from Murray Road to Garden Road, and also an elevated road over Queen's Road to Hennessy Road. In the last traffic exhibition, there was a model which the Police had built, showing the possibilities of such a scheme.

I feel that these two problems which I have mentioned are very closely interlocked and must be considered as one. It may well be too late to do so in a few years time.

Sir, before resuming my seat, I like to say a word about the Prison Department. It is not often that I go to the Stanley Prison. (*Laughter*). But last year I went there not under the severe command of a Judge, but at the kind invitation of the Commissioner of Prisons. The object of the visit was to enable

me to see something of the working of the new policy whereby the inmates receive humane treatment, industrial training and are kept occupied in ways which not only are beneficial to themselves while in prison but which stand to their advantage after release. I was amazed at the improvements. I can think of no better tribute to this new policy than a newspaper report of an appeal to the Court of Appeal by a man sentenced to six months imprisonment. He did not appeal against his conviction. His only ground of appeal was that the sentence was too short! He wanted to be sentenced to two years. He explained to the Judge that he wished to learn a trade and if he received a long sentence, he would be taught a trade in the Stanley Prison. He was a disappointed man when the Judge told him that he had no power to increase his sentence.

Sir, I concluded my first Budget speech in 1951 by saying that after the plans for the future developments of this Colony had come to fruition, the people of Hong Kong could then proudly proclaim that they were citizens of a no mean City. Today, I should like to say that I am proud to be a citizen of a fair City where a person can live in peace and can work and because of a reasonably low rate of taxation can enjoy the fruits of his labour. (*Applause*).

MR. NGAN SHING-KWAN: —If fault-finding were the sole purpose of this debate, then I would soon have to resume my seat, for it is quite obvious that my honourable Friend the Financial Secretary has produced a budget that meets with general approval. The anticipated deficit of \$54.4 millions gives no cause for alarm. A glance at the figures for the past three years reveals that the 31st March invariably finds us with about \$50 millions more than we expected, and in all probability it will not be necessary to draw on our reserves.

Our total expenditure for the financial year 1947/48 was \$127.7 millions. If at that time somebody had told us that our trade with China would be severely disrupted and that we would have to absorb hundreds of thousands of refugees, who would have dared to predict that in 1957 we would be preparing to spend \$150 millions on new Public Works alone? That we are able to do so is a credit to the people of Hong Kong, to our industrialists who have shown us a new basis for our economy, to our businessmen who have adapted themselves to the changed conditions, and

to a Government which, under your leadership, Sir, has guided us through this difficult period. Perhaps in all the circumstances we should not be too hard on the town-planning officer who failed to appreciate that 5-storey tenements erected in 1950 would be torn down and replaced by 15-storey skyscrapers less than seven years later.

The review of our refugee problem to which Your Excellency referred is most timely, and it is earnestly hoped that it will induce others to share the burden which we have so far borne alone. Much has been accomplished, but much remains to be done, and it is not unreasonable that we should look for assistance from outside the Colony, and in particular from the United Nations' Refugee Fund. My Senior Colleague, Dr. S. N. Chau, has expressed himself on this problem, and I fully concur with his remarks.

As a layman, I hesitate to trespass upon the ground of my honourable Colleagues of the medical profession, but Your Excellency's comments regarding the acute shortage of hospital beds, even by comparison with Singapore, prompt me to say a few words regarding our Medical and Health Services.

It is difficult to make reliable comparisons between departments, and statistics are necessarily suspect, but there are indications that progress in other fields has been more rapid than with our medical services. The estimates for the coming financial year show that 4.01% of our total non-recurrent expenditure will be devoted to medical and health projects, compared with 10.6% for Education and 12.2 % for Security Measures, and the figures for the previous two years show a similar trend.

When construction work is put in hand on the new Kowloon General Hospital, the department's share of non-recurrent expenditure will increase considerably, but we must guard against the danger that in concentrating on a particular large-scale project, we neglect minor schemes such as Government clinics and health centres, which would bring more immediate relief to the community. Reference was made by Your Excellency to the long-term plan that has been drawn up by the Medical Department covering the next fifteen years, and I trust that fuller details will be made known as soon as possible.

The Annual Report of the Colony for 1956 covers in some detail the various low-cost housing projects which have either been completed or are at present in hand, and I should like to make a few observations concerning the general level of rents for these schemes. On the estates operated by the Hong Kong Housing Society, the minimum inclusive monthly rental, excluding cottage accommodation, is \$61.00. In the case of flats under construction for the Housing Authority, estimated monthly rentals, excluding rates and water charges, range from \$60.00 to \$120.00 at North Point, and from \$65.00 to \$90.00 at Cadogan Street. I cannot recollect any figures having been announced for the So Uk scheme as yet.

With a minimum monthly rental of just over \$60.00, one does not have to look far to understand why these flats have to be restricted to persons with minimum monthly earnings of \$300.00. Elsewhere in the Annual Report it is mentioned that the average wage of a skilled worker varies from \$7.00 to \$12.00 a day. It is apparent, therefore, that only a small proportion of the Colony's skilled workers are eligible for accommodation in our low-cost housing estates, and that semi-skilled workers have little prospect of obtaining a flat, unless more than one member of the family has employment.

Now, I do not suggest that there will be any difficulty in finding applicants for the premises that are being built by the Housing Authority, or that they are not excellent schemes which, of course, they are, but I would like to know that something is being done for persons with a monthly income of from say \$200 to \$300.

I was rather surprised to note that the minimum rent at Cadogan Street will be about \$65.00, plus rates and water charges. I was under the impression that the flats at this site would have a simpler layout, and that rents would be correspondingly lower. If the standard and details of the So Uk scheme are still under consideration, I suggest that some of the accommodation should rent at about \$40.00 monthly, that is to say, about mid-way between the resettlement level and the cheapest flats planned to date.

Having regard to the very great number of persons to be housed, there is a natural tendency to think of larger and larger schemes, but I am not sure that this is altogether a good thing.

Firstly, large sites are becoming increasingly difficult to find and site formation costs are invariably heavy. Secondly, the more colossal the project the fewer the contractors eligible to undertake the work, with the result that tenders are less competitive, and costs rise accordingly.

Small schemes of a few hundred flats each would also be welcome and, if a standard layout could be adopted for different sites, as is being done in the case of primary schools, then they should prove a sound proposition. My honourable Friend the Financial Secretary has commented on the slowness with which the Housing Authority is drawing on the Development Fund. If this slowness means that every effort is being made to plan economically, to avoid waste, and to ensure that we obtain full value for our money, then I am prepared to be patient and await results.

It is common knowledge that a shortage of suitable building sites is the major obstacle to the further development of the Colony. Government acted with commendable speed in accepting the recommendation of the Housing Committee that a special development section should be set up under the Director of Public Works to tackle this problem. It is all the more regrettable, therefore, that this section is still only a paper provision in the Estimates.

The Island is already over-built and North Point, that only a few years ago was almost rural in appearance, has today become a thriving suburb. The area west of Central is so congested that there is not even a vacant plot for recreation purposes, and the only hope for development in that part of Hong Kong rests in the proposed reclamation and a wholesale slum clearance. I referred last year to the necessity of proceeding with this scheme as soon as possible, and it is disappointing to learn that the dredging problem is still holding up the work.

The scarcity of land for building purposes is equally apparent in Kowloon, and I feel that we shall have to look more and more to the New Territories in the future. But even in the Territories sites are not to be had for the asking, nor must they be obtained at the expense of agricultural land. They must be developed either by reclamation, or by new roads opening up hitherto inaccessible areas.

There are several large bays suitable for reclamation, and with our well-tryed cut-and-fill method, hills could be levelled to provide additional sites. The question of a new road from Taipo to Tsuen Wan is already under consideration and should be given priority when staff are available. In addition to its value as a direct link between these two towns, the road would open up new areas for building and agriculture, and it appears to have an important bearing on the development of the New Territories.

Government has always encouraged agriculture in the Territories, and the crowds visiting the annual show at Yuen Long indicates considerable public interest in this aspect of our economy. One way in which we could assist the farmer is by the provision of minor roads for him to bring his produce to the collecting centres. Many villages located some distance from the main roads cannot be reached by motor vehicle, and the construction of subsidiary roads would be a great help in overcoming this problem.

I have one last comment regarding roads in the New Territories, and this time I am not asking Government to construct a new one, but to let us make use of one that is already there. I refer to Route TWSK which runs between Tsuen Wan and Sek Kong. Accidents on the Taipo and Castle Peak Roads are as numerous as ever; injuries—often fatal—are commonplace, and it occurs to me that it would ease the pressure on these two roads if Route TWSK could be opened to non-military traffic. Notwithstanding the fact that it climbs through the hills, TWSK is in many respects easier to drive along than the lower road. Being of recent construction, the bends are properly cambered, and it certainly seems wider than the Castle Peak Road, which is so narrow in places that one cannot even overtake a bicycle when there is another vehicle approaching from the opposite direction. I would not advocate opening TWSK to lorry traffic in view of the gradient, but I see no reason why it should not be opened to cars, and suggest that Government should negotiate with the Military to this effect.

If the correspondence columns of our newspapers are any guide, no subject arouses more public interest than that of traffic, and rightly or wrongly the various steps taken by the authorities to reduce accidents or regulate the flow of vehicles and pedestrians give rise to considerable criticism. I believe I am correct in saying that most of these measures are taken on the advice of the Traffic Advisory Committee.

This Committee was formed several years ago when traffic problems were considerably less complicated than they are today, and when measures taken to relieve them did not have such widespread repercussions. Its membership comprises the Deputy Commissioner of Police, representatives of the Public Works and Education departments, the Senior Chinese Officer of the Police Reserve, the Assistant Provost Marshall, and representatives of the Kowloon Residents' Association, the Urban Council and the Hong Kong Automobile Association. Only the last three may be classified as unofficial members, and with all due respect to the impartiality of the gentlemen concerned, I would mention that until a few months ago, when the Urban Council representative was changed, all three were Committee Members of the Hong Kong Automobile Association.

The recommendations of the Traffic Advisory Committee affect our travelling habits, the delivery of goods, and even our personal movements. Sometimes its decisions involve a particular locality, and more often than not the first intimation the residents or merchants have that anything is afoot is the erection of a "No Entry" sign or the imposition of some other restrictive measure. It is, therefore, very important that all points of view should be before the Committee, when it decides how to deal with a particular problem, and I suggest that the Committee might be strengthened by the appointment of representatives from the Kaifong Associations or Chambers of Commerce. In any event, I do feel that the time has come for Government to consider if all points of view are adequately represented on the Traffic Advisory Committee in its present form.

In conclusion, Sir, I would like to congratulate the honourable Financial Secretary on his realistic approach to our financial problems and on the presentation of a Budget that gives little ground for criticism. Notwithstanding the fact that we propose to spend the unprecedented sum of over \$500 millions on the Public Service, the coming financial year is one we may approach with every confidence.

Sir, with these remarks I have much pleasure in supporting the Motion before Council. (*Applause*).

MR. DHUN RUTTONJEE: —Your Excellency, there has recently been renewed discussion of the future of Hong Kong. Loose talk is, of course, disturbing, and to be deprecated. We who

were born here and have our whole being here warmly welcomed the official statements on the subject. We naturally desire strongly that the Colony continue to develop and flourish undisturbed under its tried and proven administration.

Two thoughts, however, persistently enter the mind—one, that the keynote of policy, both official and commercial, should be permanency; and the other that for permanency the Colony needs more detailed planning.

These two thoughts dovetail. We have carried on now for some years under a press of problems, which appear to be likely to remain with us indefinitely. The continuous time-lag does not conduce to mentality of permanency. It becomes increasingly necessary to bring the picture of our future into focus and to provide ourselves with a complete social and economic plan so that we may have definite objectives and look forward to bringing everything under control.

The planning, of course, will be comprehensive. I do not propose to attempt to offer a complete blue-print. Thinking must obviously begin with full realization that the Colony is of small area, without processable natural resources, and that its capacity to accommodate population is limited. Hong Kong has been called a railway station, because people come and go all the time. As a going concern it might will be likened to a watch—a mass of factors large and small which, in a confined space, must be co-ordinated, and kept moving. We are handicapped by having so many necessities to serve at once. Government appears to be torn amongst a large number of considerations. This is illustrated by the shortage of schools, the squatter problem, the housing problem, the water problem, the traffic problem, the hawker problem and others, all in some way competitive. These are all effects of congestion, but the congestion is here to stay, and we must plan adequately to live with it.

To come to the practical ideas, three factors demand priority in all our considerations. One is the shortage of land, the other the shortage of water, and the third the problems of livelihood. For land, we can only reclaim from the sea and level our hills. Government must be congratulated for its active policy of reclaiming. I trust it will not pause. I should like to see a major reclamation, of a large bay—such as the Netherlanders

carried out in the Snyder Zee. But I think we have not done enough in levelling hills. Speaking entirely as a layman, it seems to me we could cut off the hill tops and fill hollows to make several extensive plateaux.

This brings me to water, to the squatters, and to livelihood. There is much complaint of the siting of resettlement blocks in urban areas. This we know is largely dictated by consideration of employment. But can we not encourage more squatters to become self-supporting peasants? Terracing of the hills is a familiar sight here—but more so in some other countries. I envisage our hills terraced to their summits, where squatters could maintain themselves by growing rice and vegetables. If we had a water tank on the top of every hill, the squatter could do the rest. There are already a number of examples. Wherever there is water, the industrious Chinese will try to grow something. Within the limitations of Tai Lam Chung, I hope something on these lines will be attempted. The principle to be served is that, instead of always lagging behind settlement, Government should step ahead and facilitate it—much as it has done at Kun Tong.

While on the subjects of resettlement and agriculture in the New Territories, all must approve Government's policy of assistance of food production. I agree that Government should give farmers every possible aid against droughts, pests, and poultry and other diseases. To this end the experimental farm might well be extended to include production of vaccines.

I would also like to ask what has been done and what is now the position in relation to finance of peasantry. The farmer in Hong Kong is traditionally in debt—a problem that has been debated for many years.

Settlement in the New Territories also needs schools and medical services. So far we have no Government secondary schools. Bright boys from the Territories have to come to town for higher education—which in most cases is not convenient or within their means. The effect is that cultural progress is arrested.

Of hospitals and medical services, it is notable that doctors are not eager to practice in the New Territories. If no encouragement can be offered, a Government "flying doctor" or equivalent service might be considered.

To carry further the emphasis upon need for planning, I want to call attention to the disabilities to which the community is subject. The companion need is co-ordination.

And, of course, co-ordination must also extend to obtaining the co-operation of the citizen. Here I would like to congratulate the Government upon the great improvement of its relations with the public. Before the war there was too much reason for thinking that the official attitude was "The public be damned." To-day, the public's questions are answered, and there is more helpful understanding in the popular mind of the Colony's problems. But the understanding is still imperfect—due to ignorance. It is astonishing to read in the newspapers questions and comments indicating that the writer has not read an official statement published but a day or two before. Also, however, difficulty arises from a number of disabilities. Facts are not always available when you want them. It is further highly desirable that new legislation be carefully explained in Objects and Reasons. To most people, all laws are a dark mystery.

As an aid to understanding I have thought the Government should establish a reference library. It is possible to buy reports, etc., at the Post Office: but to the average citizen this is an unjustified expenditure. There should be available for consultation in a reading room every document which the Government publishes. Such a library could be accommodated in this building at a comparatively little cost, requiring only a librarian. I put the proposition for Government's consideration.

I know that the heads of departments are in regular consultation. But I think there is scope for more co-operation—which also means less inter-departmental competition, and less insistence upon what I shall call departmental rights. Expansion of services has been so rapid that some misjudgment was inevitable. This, however, is wasteful and reduces the Colony's efficiency. We have frequent evidence of faulty control, in the digging up of streets which have just been expensively surfaced. We see it in the official conflict between the Hawker Department and the Traffic Department. Pavements and roads are cluttered with stalls, to the complication of the traffic problem and to the lamentable reduction of the Colony's appearance. I could quote other evidence of the right hand and the left hand not being on speaking terms. The Colony does not yet run like a watch. In

contrast, I read the other day of a small country where, the population being already sufficient, the citizen cannot have a baby without official permission. This we may deplore as regimentation, or undue interference. It serves to adorn my point about effective planning.

I support the Motion before Council. (*Applause*).

MR. C. BLAKER: —My attention has been drawn to the unsatisfactory conditions for the control of building in the New Territories. The New Buildings Ordinance does not apply, and the New Territories Ordinance, originally passed in 1910, makes no reference to buildings.

During the past few years, the system adopted by the District Commissioner, New Territories, when dealing with plans has varied and has caused considerable difficulties amongst architects in the Colony. In many cases delays could have been avoided if the practice adopted in the urban areas had been followed.

I understand that the present system in the urban area, whereby architects approach individual Authorities, such as the Fire Brigade, to ascertain their detailed requirements and obtain their approval before the submission of plans to the Building Authority, works well, but, in the case of the New Territories, it is necessary to submit 5 sets of plans to the District Commissioner, who then farms out the work to the various departments concerned. The individual requirements and decisions of the department are then not advised to the architects, until the views of all concerned have been received by the District Commissioner.

The New Territories Administration has no technical staff, and in fact refers the plans to the Buildings Ordinance Office for approval.

It would appear that under the present system work is being duplicated, and I would suggest that consideration be given to the New Building Ordinance being extended to cover the vast developing areas of the New Territories, and that the same practice is followed as in the urban areas, except that one set of plans (excluding engineering) is forwarded to the District Commissioner for his formal approval, as required under the terms of New Territories leases.

Military Lands.

This is another matter to which I wish to draw attention as a settlement is certainly overdue.

A resolution was passed by this Council on 13th March, 1924, accepting the award of Sir John Oakley for the purchase of a large extent of Military Lands. I do not recollect the exact reasons for the purchase not having been carried out, but I cannot help feeling that the United Kingdom's present policy of large scale retrenchment for the Services makes this an appropriate moment for arriving at a satisfactory basis. The additional land is vital to the expansion and development of the Colony and I submit that it is imperative for a decision to be reached.

Trade & Industry.

My honourable Friend, Dr. S. N. Chau has most ably commented on the question of our trade with the United Kingdom and I cannot do better than to say how thoroughly I agree with his views.

As we all know, a Mission from the Lancashire Cotton Industry has recently visited us with a view to coming to an arrangement for setting a ceiling on our exports of cloth and yarn to the United Kingdom. Whatever the outcome of this visit may be, I feel that it is quite unrealistic to believe that our industry here with its 300,000 spindles and 5,000 looms should really be a serious menace to Lancashire, where some 25 million spindles and tens of thousands of looms are in operation.

Tourism.

In June last the Working Committee on Tourism made its report recommending that a Tourist Association be established, but I understand that, to date, nothing further has been done. I cannot help feeling that Government is dragging its feet in this matter and it may be because its attitude towards Tourism is somewhat akin to the attitude of many Englishmen (and perhaps Chinese) towards commerce in the 18th century "something barely legitimate and not quite dignified".

Whatever the attitude of Government may be, I do submit that the importance to our economy of the Tourist Trade is so great that active and immediate steps are demanded for promoting

this business, opportunities for which are developing at such a pace throughout the Pacific area. Figures show that the approximate increase in tourist travel in the area during the past three years has been: —

1954 over 1953	22%
1955 over 1954	25%
1956 over 1955	18%

It will be appreciated that the increase in 1956, while lower on a percentage basis, meant many more visitors than in previous years and this progression can be expected to continue. Estimates for the years ahead set the average annual increase at approximately 20%. Given more encouragement the increase may be much greater.

A further interesting development of the industry as affecting Hong Kong is the increase in regional traffic with neighbouring countries. This is the visitor who frequently makes one or more trips yearly for shopping purchases with consequent benefit to us. It is noticeable that this continues throughout the year. In past years a summer season slump was evident from April/ October.

Another significant pointer to increasing interest in the Pacific is the plan of shipping companies to reinstate pre-war cruises. Already scheduled for Pacific cruises next year are at least four of the world's largest cruising liners, "Lurline", "Kungsholm", "Statendam" and "Bergensfjord". Also in September this year we hope to see the Orient Line's "Orcades" making its first pleasure cruise here from Australia.

It must be admitted that we have for long avoided rather than courted publicity and, in past days, this was quite satisfactory. However, the days of our depending upon a steady traditional entrepot trade with a population fluctuating peacefully in accordance with the trade currents of South China area are gone forever. We can no longer adjust our economy by reducing the number of mouths we have to feed and with the necessity before us of caring permanently for our large and increasing population it is more than foolish, indeed it approaches the suicidal, to neglect the opportunities of tourism.

Let us look at what Hawaii is doing to meet this challenge. It had 110,000 visitors in 1955, 130,000 in 1956, expects to have 300,000 annually by 1960 when jet airliners are in service. To keep up with the pace of tourist development a dozen new hotels have recently been built there and plans are in blueprint for several more. This is, to my mind, the foundation on which we should build our organization in Hong Kong.

It has been said that the three essential elements to travel are: —

- (a) a method of getting there
- (b) a place to sleep once there
- (c) the provision of destination activities and entertainment.

The method of getting here is being taken care of by the steamship companies and airlines. By 1960 there will be two new ocean liners in service from the United States of America each accommodating from 1,500/2,000 passengers. The airlines with new jet planes will have cut flying time almost in half.

The activities we can provide are already deservedly popular and they are well advertised by those who have visiting us. Existing facilities for entertainment etc. can be improved and new facilities developed. I would, however, direct your attention to the second element, that is, living accommodation for the tourist. There is authoritative evidence to show that a danger exists of tourists, particularly in organized groups, by-passing the Colony for lack of adequate accommodation here. Our present need is put at some 2,000 hotel beds, that is, say, four hotels similar in size to the Peninsula Hotel.

The difficulties in attracting private capital to invest in the hotel business are well recognized as greater returns can be obtained over a shorter period of time in other investment opportunities. It is my suggestion, therefore, that Government should be prepared to help by lending money at a favourable low rate of interest and by making suitable land available. The possibility of a loan from the Colonial Development Corporation might also be investigated. The erection of large hotels of the right type would result in a considerable return in rates, offsetting to a great extent the concessions Government may grant in

interest, etc. There is precedent for such Government encouragement in countries such as Australia, New Zealand, Belgium, Ceylon, United States of America, Japan, Germany, Dutch West Indies, etc.

Government has, over recent years, shown considerable enterprise in sponsoring our representation at Trade Fairs in many parts of the world, thereby greatly assisting our direct exports. What I ask for now is that an industry of the greatest value to us should be given equal consideration. The Tourist industry in most countries of the world is looked upon as a priority trade. We also must recognize its potential.

I, therefore, urge that the recommendations for forming a Tourist Association be pushed forward energetically and that this body be strongly and broadly founded. Its first task should be, as I have stated, to review the question of hotel accommodation, given which we shall at least possess the facilities for drawing the visitor to the Colony and not be forced to reject this valuable source of revenue.

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

MR. KWOK CHAN: — Addressing this Council three weeks ago Your Excellency made special reference to the leading chapter in the Colony's Annual Report for 1956, which is entitled, "A problem of people".

This chapter is indeed a review of a particular problem—a problem of paramount importance and of vital interest, which we in Hong Kong, by force of circumstances, have had to face, and to cope with which we have since been mustering our forces and drawing on our reserves as well as we can in the absence of external aid throughout the past ten years.

Of course, in dealing with a problem of this magnitude with its inevitable complexities there is bound to be a continuous drain on both human energy and material resources, and in consequence the necessity of maintaining our trade and industry at a specially high level continues to be present as long as the problem is not satisfactorily solved. Towards this end we have done and are doing our utmost, but we certainly would like to do even more had we not found ourselves in many instances restricted by factors that are beyond our power to regulate.

I earnestly hope that better appreciation of the real issue of this human problem, as re-iterated by Your Excellency, will help those who are less familiar with our problems here to view the situation from a better perspective and with more practical understanding. Your Excellency's vivid presentation of this problem is factual and timely and I cannot imagine how anyone could fail to be convinced.

In dealing with children welfare Your Excellency commended the good work undertaken by the Boys' and Girls' Clubs Association and made the welcome announcement that Government has approved the programme of the Association for a planned development over the next three years in the multi-storey resettlement estates. I take much pride in claiming association with this welfare organization from its beginning in what was first meant to be an experiment with a movement imported from England which is devised for the purpose of helping street urchins and boot-blacks.

The benefits the Association is directly giving to the underprivileged children, and indirectly to the Colony as a whole, has proved, through years of working, to be immeasurable. I do not know how many realize that the Association attained its coming-of-age in February this year, since it is down on record that the first club was opened in February, 1936, in a building lent by the Church Missionary Society next to St. John's Hall on Bonham Road.

I am very happy indeed to see that Government has made the necessary provision for development in the draft Estimates by increasing the subvention of the Association by almost one hundred thousand dollars. I hope that the public will be induced by the fine example set by Government to give the Association support in an even more generous manner, bearing in mind that the Association is, in fact, performing a service on behalf and for the good of the entire community.

In spite of what has been done and what is still being done by Government as well as by private enterprise in regard to housing there is still a long way to go before we can hope to reach the stage at which it can be said that the problem of housing is truly overcome.

At present we have the resettlement housing which is probably charging the lowest rentals. In some cases tenants are paying as low as \$10 per month for a room. Next come the low cost housing projects which are being set up in areas like Java Road at North Point and Cadogan Street at West Point. I think it is not yet possible at this stage to estimate with any degree of accuracy what rents will be charged, but it is perhaps safe to assume that rents will be calculated in relation to construction cost, interest on loans and repayment of capital, cost of maintenance, plus rates presumably to be assessed on the basis of market values. These premises are planned to be low cost housing to serve those who have an income ranging from \$300 to \$900 a month; in other words, the low income groups. It is to be hoped that the final figures will eventually turn out to be in line with this policy.

Moreover, if the widespread movement to turn old houses into multi-storey structures, now going on in the Colony, continues to be pursued at the present pace, and from all indications it is apparent that it will so be, then the immediate and future demands of the low income groups, especially of those who have been moved out of their old homes by virtue of successful exemption applications obtained by their landlords, will become more and more intense for these types of low rental accommodations.

In order to keep pace with these demands I urge Government to explore further possibilities that will enable what has been started to be completed early, more building schemes to be put in hand expeditiously and, above all, the construction cost to be kept within reasonably low levels, thus rendering low rentals permissible. In short, to make the livelihood of those who belong to the low income groups, at least as far as the question of housing is concerned, more tolerable. They form a very important section of the community and are responsible in no small measure for the development and progress of the Colony.

In education the unofficial members share with Government very strongly the view that the provision of more primary schools for our large and ever-increasing child populations is a matter of pressing importance. It is therefore a matter for general satisfaction that a number of schools either have been completed or are being planned. In view of the rapid development of industry

I think there is justification in giving close consideration to the question of siting more primary schools near industrial districts within easy reach of workers' children.

Technical education is now well on its way following the decision to build a large technical college in Kowloon. It is largely owing to the generosity of the Hong Kong Chinese Manufacturers' Union and other benefactors that what was once a dream has now come true. Furthermore, it is another fine example of that co-operation between Government and the community that contributes so largely to the stability and prosperity of the Colony.

When I dwelt upon the subject of commerce and industry in my budget speech in 1955 I voiced my support for the extension of Hong Kong's participation in foreign trade fairs. It is gratifying to observe that through the combined efforts of the Commerce and Industry Department and industrial and commercial interests this line of action has been followed, with the result that the Colony has been allowed to take part in many more foreign fairs. It is evident that this item of expenditure—what I would term a sound investment—is paying good dividends.

Once again, the work of the Commerce and Industry Department has shown good progress, especially in the direction of the promotion of foreign trade. It is a very reassuring feature that while the department is giving every possible assistance and encouragement to merchants, it is at the same time taking stringent measures to prevent privileges from being wantonly abused by unscrupulous traders.

In support of this principle and in discharge of their duties of looking after the interests of Hong Kong, both our London and Tokyo offices have more than proved their worth, and their continuation is fully justified. I like to see this item of expenditure becoming a permanent commitment in each of our future annual budgets.

Dealing with the budgetary figures presented by my honourable Friend the Financial Secretary for the next financial year, with estimated revenue placed at \$504 millions, and expenditure at \$558 millions, I would say that although both figures constitute a record, nevertheless I do not feel so much taken aback by this phenomenon now as I did back in 1954 when we were presented

with a budget with the figure of \$338 millions, which I then described as something truly colossal. Now I can only look upon it as a natural outcome of the rapid expansion of the Colony, both in population and in development.

It is indeed fortunate for the Colony that under the adept direction of Your Excellency and the able administration of the Colony's finances by our Financial Secretary, and by his careful way of budgetting, aided by the improved yield from items of revenue like luxury taxation and estate duty, the exact estimate of which is generally impossible to foretell, the estimated deficit in at least two successive budgets has in each instance turned into a surplus. This notwithstanding, this factor should not be allowed to give rise to any feeling of complacency, as instead of resorting to new imposts, which is certain to arouse the resentment of the tax-payers, it has been indicated that any deficit in this year's working will have to be met by drawing on the Colony's General Reserve Revenue.

In referring to the result of the financial year 1955/56 my honourable Friend the Financial Secretary attributed the decrease in expenditure to the fact that many Heads of Departments were still unable to differentiate between their commitments, and the amount of money they can actually spend. The decrease in expenditure is no doubt a welcome feature, but let not this explanation given by my honourable Friend be incorrectly interpreted as a clearance signal for heavier spending. Knowing the Financial Secretary as I do, and being sufficiently familiar with the prudent manner in which he has been managing the Colony's finances, I do not believe for a moment that any such thought was at the back of his mind when he made that statement or at any other time. Irrespective of what the final outcome of the year's working may ultimately be, it remains a sound policy to observe the principle that expenditure should as far as possible be kept at the minimum level.

Sir, I cannot omit a reference to the work of our Police Force. The custodians of the law have demonstrated beyond doubt that it is a force to be reckoned with. The support given to them by the auxiliary forces has been prominently seen. But from the experience of the October riots there arises the need for further improvement of both strength and equipment, and there is cause for satisfaction that provision for this has been made in the estimates.

Your Excellency, the atmosphere of confidence engendered by you in this small but important Colony in the years of your distinguished administration has been steadily maintained. In the same confident vein, and in our own characteristic way shall we move forward in strength and unity behind you, Sir, to go about the task that lies ahead of us in maintaining this place as a haven of freedom and happiness.

Sir, I have very much pleasure in giving my support to the motion. (*Applause*).

DR. A. M. RODRIGUES: —Your Excellency, last year's budget was termed a 'popular' one. This year's might rightly be called a 'happy' budget, for 'happy' describes the state of the Colony's financial position, as well as the occasion of the first budget presentation in this distinctive and worthy chamber. It was also on a happy note that the budget presentation was made, and my honourable Friend the Financial Secretary has refuted the impression gained some years back in this council, when it was contended that "pessimism is the traditional trait of the holders of the Colony's purse." His address was made with an air of confidence and contentment, confidence in the future of the Colony and justifiable contentment over a job well done.

I join honourable Members in congratulating my honourable Friend for his most praiseworthy presentation, which leaves little room for criticism, and the minor points have already been satisfactorily settled in committee. I agree to the new form of presenting composite subheads as being justifiable and accept the suggestion that separate budgets for recurrent and capital expenditure might be tried, to give an accurate picture of running costs.

Some hardy annuals always form the subject matter of every budget debate but I note that two of these are likely to be referred to for the last time. It is gratifying to note that a step is being taken with regard to the fluoridation of the Colony's water supply. Government may rest assured that this health measure is a gilt-edged security, which will, as my honourable Colleague on this council has pointed out, pay regular and substantial dividends in the future.

The other concerns the question of the de-requisitioning of La Salle College. With the proposed changes in Defence policy and accompanying reduction in the strength of the standing army,

I expect the reduction of the Colony's garrison will remove whatever justification there may be for maintaining the College building as a military hospital. La Salle College recently celebrated its Silver Jubilee, but in the 25 years of its existence it has had the use of its proper buildings for only 9 years. I hope that before this Jubilee year is out, La Salle College will be returned to the Christian Brothers.

I should like to return to a subject about which I have strong views and which I discussed at length last year TOWN PLANNING.

Hong Kong is rapidly expanding. Our expenditure is over \$500 million and our public works bill is expected to exceed \$150 million. As in any rapidly developing city, an essential and basic requirement must surely be good town planning, if the development is to proceed along desirable lines and in the best interests of the whole community. I was, therefore, amazed at Government's reply last year on this matter.

Through a prepared plan, an approved statement of policy can be passed on as a guide to the developer whether Government or private enterprise. While adhering to an agreed and general form of development, such a plan still allows for revision in the light of changing requirements and technical accomplishment, but no planning or too little planning, as was admitted by Government last year, retards development or leads to undesirable development.

My honourable Friend Mr. Terry has referred to the New Kowloon Post Office. I have been informed that progress on this score awaits a decision regarding the proposed change in situation of the railway station; a change which was mooted before the war and which formed part of the proposals contained in the Abercrombie report of 1948, and yet after all these years the matter awaits decision.

Your Excellency has rightly lauded the effort of private enterprise in expending over \$100 million on domestic housing. More private capital would have left the still available pool of free capital, and been applied to building in the outer urban or suburban areas if applications for land in these areas had not been met with delayed or indifferent replies, which often indicated that there was no definite policy laid down as to how the land in question was to be developed.

These are only two examples of where indecisiveness is affecting desirable development and would not have arisen if a general town plan for the Colony were ready for reference.

Housing is undoubtedly the major problem confronting the developer, but the problem could not be completely studied without due consideration of the accompanying important factors of unit density of population and adequate routes of communication.

In your stirring and eloquent address, Sir, you mentioned that the "insanitary hovels of the squatters were a menace to health, a menace to law and order and a great fire hazard." I respectfully submit, Sir, that excessive density of population in any one area is conducive to similar dangers. Overcrowding will always remain the bugbear of the tuberculosis physician and recent events support my contention regarding public security.

It is true that the Abercrombie report did not visualize the rapid increase in our population and the suggested figure of 500 per acre may appear unrealistic when we have some areas where the unit density is 2000, but a stand must be taken. In many cities a system of zoning applies and there is a fixed maximum for unit density for any particular zone. When that maximum is reached or is being approached no further projects which would cause greater congestion are considered, such projects being directed to areas where the unit density is well within the maximum, and so the process of decentralization goes on. The time has come, or I should say it is long overdue, when we should apply this system to Hong Kong, for at the present tempo of development I can only see chaotic conditions ahead.

To illustrate my point . . . consider the Central district to which my honourable Friend Mr. Lo has referred. Actually 7 buildings are planned to replace existing ones with an increase in the number of persons to be accommodated of from 500% to 700% in the different buildings. The problem with regard to vehicular and pedestrian traffic will surely be intensified. Can honourable Members picture the effect of a concentration of people comparable to a capacity crowd at the Government Stadium attempting to disperse at the peak hours? And this will be a daily occurrence. A census recently taken of the number of cars coming into town on Queen's Road, west of Garden Road between the hours of 8 a.m. and 8 p.m., produced the figure 34,997 or

3 vehicles every 4 seconds. A traffic accident means a complete standstill during peak hours, until the obstruction is pushed aside. What if there is a major catastrophe? It takes all of 20 minutes to get by car from Chater Road to the Secretariat during the rush hours. I shall anticipate the remark that this is only a loss of time by referring to the figure \$240,000 quoted by my honourable Friend as costs involved in accidents in the Central district.

I fully agree that a flyover and elevated road will relieve the bottleneck, but what of the pedestrians? They have to be dispersed, and I recommend the use of pedestrian bridges and/or subways at every other intersection leaving alternate roads as free expressways, while at the same time allowing for a fairly constant flow of pedestrian traffic. Without this outlet, the intersections are so close that any alteration in traffic flow extends so far back in effect as to impede proper direction of traffic. These are steps to help a problem that exists and which would not have arisen with proper planning. Let us not allow similar built-up areas to creep up on us, but act now.

Provide for all communal facilities as schools, shops, etc., for adequate number and width of roads in a specific zone, for these will help take up the acreage and reduce the unit density. In this respect the new scheme of the Housing Authority will serve as a fine example when completed. I refer to the North Point Housing Scheme, which might well be used as the yardstick of unit density when fully functioning.

And what of the other consideration . . . routes of communication?

In developing any town plan, roadways form a principal consideration.

Here in Hong Kong we unfortunately suffer from insufficient main arteries of communication and those which exist are in the main too narrow. Kowloon on the other hand, enjoys better and wider routes of communication, although in some places this advantage is nullified by islands which have long outlived their usefulness and by water tanks placed in the centre of some of the busy intersections. I am told these will shortly be removed. To return to the island and its roads. We were informed last year that a Roads Engineer would be assigned to the Crown Lands (Planning) Officer to prepare a master plan for roads, but I find that this same gentleman was transferred to another department

within 7 months, surely long before any master plan could have been prepared. The figures of width of our main roads leave much to be desired. I am informed here the standard taken is governed by the possible costs involved in purchase if a more efficient working width of road is demanded. Before the introduction of the New Building Ordinance government could often get privately owned land for road widening free of charge, by permitting the architect to increase the height of the building during the process of development. The New Building Ordinance provides for higher buildings and lower ceilings, often the height allowed being all that the architect and his client desire, and so surrender of land must be at a price. As the new provision already ensures that the landowner benefits from an increase in earning potential, I feel some amendment to the Ordinance is warranted, to allow for the free attainment of adequate road-width in the process of development.

How are we to accomplish a development plan for the Colony? Surely not with the present staff. I have already referred to the Roads Engineer that 'was, but is no longer.' The estimates provide for an assistant town planning officer . . . a slight boost no doubt. Your Excellency has referred to the new development division of engineers for a project which the Committee on Housing consider an essential preliminary to help the housing problem. It however appears that there may be difficulty in recruitment. Are we to wait till a suitable engineer or engineers apply for the post in the Public Works Department? My honourable Friend Mr. Lo has made a suggestion that we should consider training local engineers to fulfil some of the work necessary. I agree with the principle behind his suggestion but the guiding factor in this particular case is the urgency. I am of the opinion that, failing the necessary recruitment, we should look to private firms, especially some foreign firms experienced in development planning, to fill the gap. It may be more expensive but if there is a contract for a specific purpose there will be savings in pensions, allowances etc. and certainly in time.

I urge that we should speed up on our Town Planning procedure, that there should be an emphasis on decentralization, that there should be a more decisive policy regarding future development; else we might well be condemned in the future for lack of foresight and blamed for the serious consequences that must inevitably result.

My senior Colleague Dr. S. N. Chau has fully covered many important aspects of the Medical and Health Services. I shall say at the start that I agree with all he has said. It is true that the X-ray Department at the Queen Mary Hospital is in a submerging state under the flood of cases requiring treatment as well as diagnosis. The department must be expanded. Provision is made in the estimates for more radiologists and radiographers, but the installation of more machines is not only necessary but somewhat overdue.

It is regrettable that the building of hospitals cannot keep pace that of domestic buildings, but this is understandable when one considers the financial question . . . few hospitals can be run without endowments. I am, therefore, pleased to learn that the medical department has drawn up a long term plan to increase the hospital accommodation in the Colony. In the matter of tuberculosis, government has invested wisely in giving aid to the Anti-tuberculosis Association, whose new hospital will soon be opened in Aberdeen. The number of beds in this hospital was increased to over 500 at government's request. I trust that Government's interest and co-operation will continue after the hospital opens, for it will give a substantial boost to the fight against this dreaded disease.

With the present insufficiency of beds in government hospitals admissions outside regular outpatient hours must necessarily be confined to casualties or medical and surgical emergencies. Often cases are moved from the home or another hospital to the Queen Mary Hospital, for a blood transfusion because of lack of facilities. I recommend to my honourable Friend the Director of Medical Services, the consideration of establishing a "flying squad" service as prevailing in other cities whereby blood transfusions are given on the spot, after due grouping etc., which is done by the 'team' in the ambulance. Another useful measure is the provision of a resuscitation and oxygen apparatus in our ambulances, for with long distances it may be the factor deciding the final outcome of the fight for survival.

There has recently been much correspondence in the press regarding claims as to the originator of the Medical Insurance Scheme, and of the suggestion that the School Health Service should be expanded with the help of private practitioners. I do not intend to enter into the argument nor to make any claims

myself. However, I do know that the representatives of the British and Chinese Medical Associations have worked out a scheme, whereby this service could be augmented with the help of private practitioners, to eventually include most of the school children. I believe that the scheme, which was handed in some months ago, has been approved in principle by the medical department. May I ask why there has been a delay in its implementation?

I support the Hon. Charles Terry with regard to legislation to protect the blind. It would be illogical if we sought to treat them without also taking steps to prevent them from falling into the hands of unscrupulous quacks who claim to cure their ailments, but with dire results.

The encouraging response to the offer of housing loans to non-expatriate officers is a step in the right direction as regards this group of the civil service. I should like to see a further step taken in respect to long leave in the U.K. for qualified men and those of many years of service. If this could be given as a form of award for service, and include study or observation in the particular profession or department the recipient is in, government will stand to gain from the experience gained by these officers and after all "travel broadens the mind."

Finally, with your permission, Sir, I would like to conclude with an added comment to the theme of Your Excellency's opening address, as I believe it reveals the soul of Hong Kong, the trait of its people, a trait which will sustain the Colony at all times and under all conditions. It is that the people of Hong Kong have accepted and tackled this human problem WITHOUT A MURMUR.

Sir, I support the Motion. (*Applause*).

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.

**INLAND REVENUE (RETIREMENT
SCHEME) RULES, 1957.**

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved that the Inland Revenue (Retirement Scheme) Rules, 1957, made by the Board of Inland Revenue on the 7th day of February, 1957 under section 85 of the Inland Revenue Ordinance, be approved.

He said: Sir, the committee which was appointed in 1952 to consider amendments to the Inland Revenue Ordinance reported at the end of 1954, and one of its points was the desirability of laying down standard rules for the approval of genuine retirement schemes. The first step necessary to give effect to this recommendation was amendment of the Ordinance itself, which was effected by Ordinance No. 49 of 1956, introducing a new Section 87A.

The next step was for the Board of Inland Revenue, the statutory authority for making rules, to lay down the necessary requirements. This was done by the Board last November.

In accordance with the provisions of the Ordinance, any rules made by the Board must be approved by this Council. Accordingly, the rules were distributed to honourable Members prior to inclusion on the next agenda of Council, but at the request of my honourable Friend Mr. Blaker, who asked that adequate time might be given for consideration, submission to this Council was deferred.

In view of the importance of a number of points which were raised, the rules were referred back to the Board of Inland Revenue and a number of the objections which were made appeared to the Board to have sufficient validity to justify some amendments. The revised version is now submitted for approval, and I am given to understand that it meets the objections which have been raised. Perhaps I might briefly outline its effect.

Prior to enactment of the amending Ordinance, the Commissioner of Inland Revenue limited his approval to schemes which were funded, and were placed under the control of independent trustees. These new rules, in accordance with the

recommendations of the Committee, authorize the approval also of schemes where the employer merely contracts to provide certain definite benefits for his employees on retirement, without necessarily establishing a trust fund. In either case, an employee will not be required to pay Salaries Tax on a lump sum withdrawn from an approved scheme.

On the other hand, from the employer's point of view, treatment for profits tax purposes must vary according to the type of scheme. If the scheme is funded and the employer periodically contributes to the fund, which is under the control of a third party, such contributions will be allowed within certain limits as deductions for profits tax purposes. Where the scheme is not funded, and where the benefits are paid from the general funds of the employer, no allowance will be made for profits tax purposes until actual payment is made to the employee, when the whole of the employer's contribution will normally be allowed.

It will be observed that the rules lay down that a scheme may not be approved unless it provides that the retirement benefit is paid to a person aged not less than 45 years, or who has had at least ten years' service with his employer, the usual exceptions being made for incapacity or death within these limits. This will mean that some now existing retirement schemes or provident funds will not qualify for approval. Accordingly, the new rules will not apply to existing schemes until March 31, 1958; in the meantime the Commissioner is not precluded from approving a *bona fide* retirement scheme even when some of the new requirements are not embodied in the scheme. This, I am given to understand, is agreed by interested organizations as providing ample time within which to effect any necessary changes in the rules of existing provident funds or retirement schemes to enable them to meet the new requirements.

THE COLONIAL SECRETARY seconded.

MR. C. BLAKER: — Your Excellency, the rules as originally drafted contained a number of provisions which conflicted very drastically with many existing retirement schemes and if adopted would have had an adverse effect on the benefits to be received by employees on retirement. The criticisms received were collated by the Taxation Sub-Committee of the Hong Kong General Chamber of Commerce and suggestions for amendment were submitted to Government.

Several meetings took place with my honourable Friend the Financial Secretary and with the Commissioner of Inland Revenue, and I am happy to say that our differences have been satisfactorily resolved.

I take this opportunity of recording my thanks for the sympathetic consideration afforded to our suggestions and for the trouble taken in meeting the points raised. The Rules now submitted provide a fair interpretation of the recommendations of the Inland Revenue Ordinance Committee and accordingly I support the Motion.

The question was put and agreed to.

HAWKERS (AMENDMENT) BY-LAWS, 1957.

MR. E. B. TEESDALE moved the following resolution: —

Resolved that the Hawkers (Amendment) By-laws, 1957, made by the Urban Council on the 5th day of March, 1957, under section 2 of the Hawkers Ordinance, be approved.

He said: Sir, these by-laws were passed by the Urban Council on 5th March this year with the object of preventing licensed pedlar hawkers from trading in Un Chau Street, Kowloon, which became a main thoroughfare for traffic on 1st March.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

CONSERVANCY (AMENDMENT) BY-LAWS, 1957.

MR. E. B. TEESDALE moved the following resolution: —

Resolved that the Conservancy (Amendment) By-laws, 1957, made by the Urban Council on the 5th day of March, 1957, under section 4 of the Public Health (Sanitation) Ordinance, 1935, be approved.

He said: Sir, these by-laws were passed by the Urban Council on 5th March this year, and their general purport is described in the explanatory note. The annual operating cost of the conservancy service is at present about \$3.3 million, while fees total \$2.1 million. The proposed increase in charges is considered reasonable and will close the gap between revenue and expenditure.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

DUTIABLE COMMODITIES ORDINANCE, CHAPTER 109.

THE FINANCIAL SECRETARY: —Sir, in accordance with Standing Order 15 I rise to seek Your Excellency's consent to propose a motion for which the requisite notice has not been given to honourable Members.

H. E. THE GOVERNOR: —My consent is given.

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved, pursuant to section 4 of the Dutiable Commodities Ordinance, Chapter 109, that with effect from 9 a.m. on 21st March, 1957, duty on methyl alcohol shall be payable at the rate of \$7 per gallon and in addition, for every one per cent by which the strength of methyl alcohol by volume exceeds 25 per cent, 28 cents per gallon.

He said: I seek the indulgence of Council for moving this resolution without notice. Its effect is to impose duty on methyl alcohol at the same rate as is now borne by ethyl alcohol, and the usual notice might well cause speculation in this commodity.

Honourable Members will, no doubt, remember very clearly the events of the past few months when we had an epidemic of cases of adulteration of liquor with methyl alcohol, a dangerous poison. In consequence of the deaths and injuries caused by this malpractice the Dutiable Commodities Ordinance was amended to control strictly the movement and custody of this commodity. But it seems to Government that such control by itself may not be sufficient, and it is therefore proposed that the financial

inducement to use methyl alcohol for adulteration of liquor shall be removed by subjecting it to duty at precisely the same rates as for ethyl alcohol. It will no longer be cheaper. Government is advised that genuine industrial users of this product will not suffer thereby.

Normally when duties are to be altered, or when a new duty is to be imposed, Your Excellency brings the new rates into effect forthwith by proclamation under the Public Revenue Protection Ordinance. It is then for this Council to confirm the changes by resolution. This procedure has not been adopted in this case in order to make it quite clear that the purpose of the resolution is not to increase revenue; the purpose is fundamentally the safety of the public. The measure is a public health one, and as such will, I trust, be approved by Council.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

BIRTHS AND DEATHS REGISTRATION (AMENDMENT) BILL, 1957.

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to amend the Births and Deaths Registration Ordinance, Chapter 174."

He said: Sir, this Bill and the next on the Order of Business are necessary to effect the transfer from the Medical Department to the Registrar General's Department of the responsibility for registration of births and deaths.

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 object of this Bill is to effect the transfer of the functions of registration of births and deaths from the Medical Department to the Registrar General's Department.

2. By clause 3 the designation "assistant registrar" wherever used in the principal Ordinance has been altered to "district registrar". These posts are generally filled by members of the General Clerical Service. The substitution of the term "district registrars" is required to distinguish them from the assistants styled "Assistant Registrars", referred to in the Registrar General (Establishment) Ordinance, Chapter 100.

3. As regards clause 4(c), the replacement of the proviso to section 3(3) of the principal Ordinance in the manner indicated is required for the following reasons:

- (a) Disinfecting stations have long since ceased to be used as registered offices;
- (b) In connexion with the transfer of responsibility some reorganization is being carried out. It is intended eventually to discontinue the use of all Medical Department Public Dispensaries as sub-registries as and when premises become available in suitable localities for establishing separate sub-registries. In the meantime additional staff provided will enable such sub-registries as must for the time being remain located in Public Dispensaries to be staffed by clerks of the Births and Deaths Registry staff instead of (as formerly) being operated by clerks of the Dispensary (Medical Department) staff.
- (c) In pursuance of the decentralization plans an improved system of births registration is being introduced in the New Territories, making use of the various Rural Committee Offices on set days, and the police stations mentioned in item 12 in the first section of the First Schedule (viz. "Births Register Offices"), which are all in the New Territories, will no longer be required to be used as birth register offices.

4. The opportunity has been taken by clause 5 to correct a slight error in subsection (1) of section 29 where the present wording refers to "the Schedule" instead of (as is intended) "the Second Schedule".

**REGISTRAR GENERAL (ESTABLISHMENT)
(AMENDMENT) BILL, 1957.**

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to amend the Registrar General (Establishment) Ordinance, Chapter 100."

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: —

"It is intended that on the 1st April, 1957, the Registrar General will take over the duties of Registrar of Births and Deaths from the Director of Medical and Health Services. The Schedule to the Registrar General (Establishment) Ordinance is accordingly amended to enable him to perform those duties."

SUMMARY OFFENCES (AMENDMENT) BILL, 1957.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to further amend the Summary Offences Ordinance, Chapter 228."

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 were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Summary Offences (Amendment) Bill, 1957 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.

ADJOURNMENT.

H. E. THE GOVERNOR: —That concludes the business gentlemen. Council will adjourn to this day week.