

OFFICIAL REPORT OF PROCEEDINGS.**Meeting of 26th March, 1958.**

PRESENT:HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)

SIR ROBERT BROWN BLACK, K.C.M.G., O.B.E.

HIS EXCELLENCY THE COMMANDER BRITISH FORCES

LIEUTENANT-GENERAL SIR EDRIC MONTAGUE BASTYAN, K.B.E., C.B.

THE HONOURABLE THE COLONIAL SECRETARY

MR. CLAUDE BRAMALL BURGESS, C.M.G., O.B.E.

THE HONOURABLE THE ATTORNEY GENERAL

MR. ARTHUR RIDEHALGH, Q.C.

THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS

MR. JOHN CRICHTON McDOUALL.

THE HONOURABLE THE FINANCIAL SECRETARY

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

THE HONOURABLE PATRICK CARDINALL MASON SEDGWICK

(Commissioner of Labour).

THE HONOURABLE ALLAN INGLIS

(Director of Public Works).

DR. THE HONOURABLE DAVID JAMES MASTERTON MACKENZIE, C.M.G., O.B.E.

(Director of Medical and Health Services).

THE HONOURABLE COLIN GEORGE MERVYN MORRISON

(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, O.B.E.

THE HONOURABLE KWOK CHAN, O.B.E.

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

THE HONOURABLE JOHN DOUGLAS CLAGUE, C.B.E., M.C., T.D.

MR. MAURICE DEREK SARGANT *(Deputy Clerk of Councils).*

MINUTES.

The Minutes of the meeting of the Council held on 6th March, 1958, were confirmed.

OATHS.

MR. COLIN GEORGE MERVYN MORRISON took the Oath of Allegiance and assumed his seat as a Member of the Council.

ADDRESS BY THE GOVERNOR.

H. E. THE GOVERNOR: —Before we proceed I take this opportunity on behalf of the Council to welcome to our Council the Honourable Mr. Clague and the Honourable Mr. Morrison.

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>
Report of the Select Committee on the Draft Estimates of Revenue and Expenditure for 1958/59.	
Hong Kong Airport (Control of Obstructions) Ordinance, 1957.	
Hong Kong Airport (Control of Obstructions) (Amendment) Order, 1958	A. 13.
Road Traffic Ordinance, 1957.	
Road Traffic (Registration and Licensing of Vehicles) (Amendment) Regulations, 1958	A. 14.
Adulterated Food and Drugs Ordinance.	
Adulterated Food and Drugs (Amendment) Regulations, 1958	A. 16.
Dutiable Commodities Ordinance.	
Dutiable Commodities (Amendment) Regulations, 1958	A. 17.

<i>Subject.</i>	<i>G.N. No.</i>
Ferries Ordinance.	
Excluded Ferries (Amendment) Regulations, 1958	A. 18.
Ferries Ordinance.	
Excluded Ferries (Ma On Shan and Ho Tung Lau) (Amendment) Regulations, 1958	A. 19.

**RESOLUTION REGARDING THE REPORT OF THE
SELECT COMMITTEE ON THE ESTIMATES FOR 1958-59.**

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 1958-59, be adopted.

THE FINANCIAL SECRETARY seconded.

DR. CHAU SIK NIN: —Your Excellency, with all due deference, Sir, may I on behalf of all the Unofficial Members of this Council, say it was a privilege to listen, three weeks ago, to your able survey of the Colony's affairs. The grasp you have obtained in the short time that you have been our Governor, of the manifold problems that beset us excites our admiration and we are much heartened by your rational appraisal of our future prospects. As we listened to your brilliant review of the state of the Colony, the conviction grew with every word you spoke, that under your guidance, we shall go from prosperity to greater prosperity and that no matter what fate may have in store for us, we shall be wisely led. We look to the future, therefore, with supreme confidence and we pledge to you, Sir, anew, our loyal support and co-operation.

Once again, this year's Budget is a record in regard to both estimate of income and of expenditure. It is in all respects a most satisfying Budget and the community is, I think, well content that although we are faced with the prospect of having to raise over \$500,000,000 my honourable Friend the Financial Secretary, does not envisage any difficulty in our being able to do so, and without recourse to additional taxation. The Unofficials have already had an opportunity to scrutinize the Estimates, and have obtained all the information they have sought relating to them. As a result of our examination, certain amendments have been made to the figures, and the Budget has therefore our support.

About the figures then, there is little I wish to say, but certain matters relating to problems and policy in general do call for comment.

The first subject I should like to refer to is that of Tuberculosis which as Your Excellency remarked, remains the most important disease in the Colony. It is pleasing to observe that measures adopted are yielding results and that the death rate shows a levelling off after a steady fall from the peak reached in the early 1950's. There is, however, no room yet for complacency, and it is necessary that we keep ever vigilant in our efforts to control the disease. It is interesting to note that tuberculin positive children are being treated with INH even in the absence of overt disease. This programme will be watched with interest. I am, however, more immediately interested in our measures for the treatment of those with the active form of the disease. I still feel that my suggestion last year regarding the operation of secondary clinics, will, if adopted, contribute widely to our programme of control and treatment. Diagnosis and prescription would continue to be done at the principal clinics, and the treatment, which in the case of tuberculosis, varies seldom for months, could be carried out in simple clinics, set up in closely populated districts, where it must be expected that tuberculosis is most highly prevalent. This will ensure maximum use of specialists and specialized equipment, and the treatment of a much greater number of patients at comparatively little extra capital outlay.

I spoke last year also on the long waiting lists of patients seeking X-Ray therapy. I am pleased to note that steps have been taken which have now brought down the waiting period before treatment can be given.

I am very much concerned about cancer as with the greater pressure of modern living, there is increased predis-position towards the disease. I am happy therefore to learn that consideration is being given to the installation of linear accelerators in the New Kowloon Hospital. These machines will ensure the most up-to-date treatment of cancer, especially the deep seated types and those surrounded by bone, and will, to put it simply, cause less skin reaction, less bone damage and less scattering of rays, thereby sparing normal tissues, cutting down radiation sickness, and causing less blood damage. Moreover, one linear accelerator is able to do the work of two conventional type machines and so we shall be able to treat double the number of patients in the same period of time.

Such machines are, however, highly complicated and looking ahead to the time when we shall have to maintain the same, it is essential that we consider now the sending abroad of a physicist-engineer for training. Training will take at least two years, so let us not be caught in the position of possessing highly expensive equipment but having no one with sufficient knowledge to look after it.

I have spoken often and at length on the benefits to be derived from fluoridation. Last year it was pleasing to note that Government had voted a sum of \$280,000 as a preliminary towards the fluoridation of our water supply and I shall be most interested to learn how this scheme is progressing, and when we can hope for full implementation of the proposals.

Benefits derived from fluoridation cannot be expected immediately but once fluoridation is effected, we anticipate a steady drop in dental diseases among children and a consequent improvement in general health. It is rather sad to learn from statistics that about 90% of our children in the 5 - 6 years age group suffer from dental caries, and that many, not much older, are condemned to the use of artificial teeth at any early age. I am advised that there are today only six dental surgeons in the school dental service, and when it is remembered that the school population is over 300,000, one can better appreciate the need for urgent preventive measures. Fluoridation is a step in the right direction and we shall look forward eagerly to an early fluoridated water supply.

Referring again to the School Health Service, not all children are covered by this plan, in point of fact, not more than a very small percentage is included. It must be our aim to provide at an early date, the staff and facilities necessary to care for all the medical and health requirements of our children, and high on our priority list must be for dental surgeons. The question of why there are only six dental surgeons in the School Health Service is a pertinent one. A simple question which has a very simple answer—supply cannot cope with demand. On the basis of one dental surgeon to 3,000 children—many experts will say that 1 dental surgeon to 1,500 is a better proportion—we need at least 100 dental surgeons to cater for our school population alone—I say “school” population advisedly, as there are many children not attending any sort of school at all. The Dental Register

indicates there are about only 60 fully qualified dental surgeons in Hong Kong, and without mentioning the needs of the adult population, the shortage is clearly apparent. Government has already given cognizance to this shortage by providing annually, the sum of \$150,000 to sponsor students abroad for the study of dental surgery, but the time has now come when more than this is required, and consideration to the establishment of a Dental School here in Hong Kong is due. In addition to supplying annually a number of new dental surgeons to serve the public, such a school will cater in part for the dental care of the poor—who today stand scant chance of getting any sort of dental treatment. I therefore urge Government to give most serious consideration to such an additional community service.

The total estimated recurrent expenditure for 1958/59 on education is nearly \$68 millions which is some \$13 millions more than the revised figure for 1957/58. Much of this increase is undoubtedly due to new Government and Government-aided primary schools, and I am glad that the Government Primary School Expansion Scheme continues to make good progress.

Money spent on education is certainly money well spent and we must all look forward to the day when every child in Hong Kong is assured of at least a good primary education. If we are to ensure that no child with outstanding abilities is debarred from proceeding above the primary stage because of lack of financial means, and that good standards of secondary education are maintained, it also seems essential that a due proportion of secondary schools should be Government or Government-aided. The increase in numbers at the primary and secondary stages must also result in a progressive increase in numbers seeking post-secondary and university education. All in all, therefore, it seems clear that continued and heavy increase in the bill for education is inescapable. No one will begrudge this additional expenditure as long as the revenue can reasonably stand the strain, due regard being paid to the claims of other social services, and as long as we are certain that full value is being obtained for what is spent.

It does appear that the economic stability of Hong Kong in the future must depend on a steady and continued growth of our industrial and commercial enterprises. Education's contribution to such a growth lies not only in effecting a steady improvement in the general level of attainment for all, but in supplying those

with the first-class brains needed for successful planning and leadership, and those with adequate technical skills and up to date knowledge of modern processes. It was for these reasons that the erection of the new Technical College at Hunghom was wholeheartedly supported. When all the new buildings are completed we shall have very fine premises and equipment, and I hope that every effort will be made to attract really first-class staff to run the new courses which are now contemplated. It is, to my mind, essential that in addition to first class equipment, we have the direction, the planning ability and the elasticity of organization to keep our technical training courses in very close relationship with local industrial and commercial needs; if possible, the training courses should be somewhat in advance of needs. I would like to see progressive expansion in both number and type of course for apprentices, foremen and supervisors, and I hope that all leaders of industry will realize the need for this and give their full support.

To return to the question of how all our pressing educational needs are to be met from our limited resources, I note that private schools, both primary and secondary, are shouldering a very considerable part of the burden, and I think that there is no alternative to this. I am however rather concerned at the position of some of the private schools. The best of them have to charge high fees if they are to maintain good quality schooling and pay teachers adequate salaries, but the number of parents who can afford high fees is limited. At the other end of the scale there is a large number of private schools which charge moderate or low fees and thus attract considerable numbers of pupils, but they can only do so by limiting their teachers' salaries to a very low figure. In addition, there are, as I mentioned in my Budget speech last year, many unregistered schools where in general, fees and teachers' salaries are lower still. To aid many of these schools by putting them on the full Subsidy Scheme would be a most expensive matter and would not create any additional school places. The present form of subsidy seems to be very much a case of "all or nothing", whereas some of the better schools may be able to balance their accounts with a comparatively modest annual subvention from Government, and some of the poorer quality schools might be stimulated to improve their standards and teachers' salaries by similar modest assistance. I think also that there should be reasonable incentives for unregistered schools

to register and improve their quality. Perhaps, therefore, some other forms of assistance to selected private schools than full subsidy on existing scales should be considered.

The increasing number of students passing through Hong Kong middle schools, and sitting for the Chinese School Certificate Examination makes it increasingly important, that the Chinese post-secondary colleges shall be established on a satisfactory basis, and given due recognition. Students in Chinese Middle Schools and students seeking post-secondary education in the medium of Chinese have, so far, not had financial assistance from Government on anything like a comparable scale to that given to students in Anglo-Chinese secondary schools, and to those seeking higher education in the University in the medium of English. It seems quite impossible that the post-secondary colleges can provide adequate facilities and pay their staffs adequate salaries, unless they receive substantial financial assistance from Government. In the allocation of any further sums for post secondary education, I suggest that the claims of the postsecondary colleges be given much greater consideration. Such colleges must be given every encouragement to improve their standards, enlarge their scope and increase their enrolment. A comparative innovation in Hong Kong, they are meeting a vital need today, and will play an increasingly important role in our education of tomorrow.

In your review, Sir, you placed much emphasis on the problem of housing. This is a hardy perennial, and I think it is safe to say it will continue to provide subject for debate for the next decade. In spite of the millions that are being poured into housing, both by Government and private enterprise, the demand for good cheap housing shows no sign of abatement. It is a frightful thought that even if everyone was today satisfactorily housed, we should still have to provide each year, new accommodation for an estimated increase in population of somewhere in the region of 100,000—a number equivalent to many a township in Europe or America. But we are a long way off even from that stage. Your Excellency indicated that there were still 325,000 persons without any regular housing at all—an appalling state of affairs. Is Government satisfied that everything possible is being done to provide housing quickly and within the means of the population? I cannot help underlining my honourable Friend the Financial Secretary's remark that although the Housing Authority

was constituted as long ago as April 1954, it had succeeded in spending only \$32.7 millions up to the end of last year. Government, I recollect, has voted something like \$80 millions to the Housing Authority. The showing of tangible results is disappointingly slow and I should be comforted if an adequate reason could be given for the apparent lack of speed in dealing with this vital need. It might be necessary to review the whole policy, and it would certainly be worthwhile to enlist still further, the assistance of the non-profit-making organizations who have already contributed so usefully towards the solution of the housing problem.

In regard to the Estates already completed, I am rather perplexed at the delay in filling the Java Road flats. As Your Excellency has stated, there are hundreds of thousands in need of housing. Why then were the flats left empty for months?

I was very pleased to learn from my honourable Friend, the Financial Secretary, that the civil servants' housing co-operatives are going well. These schemes give enterprising members of Government service a chance to help themselves, and deserve every encouragement. But I would like to know what action is contemplated for improving the housing lot of those civil servants, whose monthly income is such that it is not feasible for them to participate in building co-operatives or who, being non-pensionable, are not included within the compass of these schemes. I appreciate the magnitude of the task facing Government in the housing field generally, but I feel nevertheless that greater measures should be considered to help the housing problem of junior married staff who have served the public continuously for a number of years.

I would now like to say a few words about the Police Force. Certain events are still too fresh in our minds for anyone to quibble about the necessity of keeping the Police Force up to strength, and with the growing population and the greater development of the Colony, that strength must be one of continuous growth. Expansion of the Force, however, must be done in a properly phased manner, and increases in personnel must take place concurrently with construction of new Police Stations and Quarters and the enlargement of training facilities. I am informed that today the number of married rank and file in the Force is in the region of 3,500 whereas married quarters number but 1,000. With such a shortage of quarters, the alternative to

keeping married men in single barracks is to allow them to live at home, but the very nature of the duties of a policeman and the need to have him always on call makes this latter arrangement highly undesirable. It is evident that proper planning is required so that personnel and building programmes go hand in hand, and I recommend as a matter of high priority the consideration of an overall plan. I have no inclination to encourage empire building, but this is one department where expansion is fully justified.

I have frequently in the past urged that Government make the fullest possible use of local talent in filling posts that become available in the Civil Service, and it is satisfactory to see that this policy is being followed.

In addition to local recruitment, I hope also that everything possible is being done to encourage promotion of local officers within the Civil Service, and I would urge that that promotion be accelerated in order that more senior posts be filled by local officers.

Government has been fortunate in recruiting locally, well qualified and trained professional men and women. Such men and women enhance the prestige of the Civil Service, and it is much in the public interest that they maintain their high standards. This is possible only if they are given opportunities for observing the progress and trends that are developing elsewhere in the world, and such knowledge cannot be gained by the reading of books alone. It is essential therefore that local professional and technical officers be encouraged, indeed I would go so far as to say be required, to go on study tours of say three months every four or five years. Expatriate Officers have the opportunity of going abroad regularly, during which period they can bring themselves up to date, but so far, except when Government has required an officer to take a specified course, local officers have no such opportunities. Many, realizing the importance of keeping themselves in the forefront of modern thought and trends, have taken no-pay study leave, but not all are financially able to do so, nor is it right that they be expected to make such sacrifices when after all it is the Service and the community that benefit—a more knowledgeable officer is certainly better equipped to fulfil his duties. The question will be asked of where the extra funds to finance such post graduate studies are to be found, and I would suggest in reply, that this is an essential cost of Government,

and that modern minded and progressive local officers will eventually make redundant, a number of ex-patriate officers and the savings that will be effected in passages and other connected expenses, will substantially help to compensate for the cost incurred.

And lastly, I am sure no one will be at variance with me when I express to the honourable Financial Secretary, appreciation for the production of a first class Budget and for the clear and comprehensive presentation he made. No matter what we discuss, we cannot help but notice that the predominate word is "shortage". Shortage of hospitals, clinics and medical services; shortage of housing; shortage of schools; shortage of land and water. All these shortages spring from the burden of our refugee problem and our inability to make our money spread both ways, but in spite of what I have said, my honourable Friend does in fact appear to have performed the impossible. (*Applause*).

MR. C. E. TERRY: — Your Excellency, at the conclusion of his radio broadcast on the Budget my honourable Friend the Financial Secretary said "we welcome criticism", but he added, "constructive criticism". No criticism is of value unless it is constructive and as my honourable Friend the Senior Unofficial Member implied in the course of his speech, it is practically impossible for anyone constructively to criticize the estimates now before us. It is all the more difficult for us, the Unofficial Members, to do so because we have been closely associated not only in Finance Committee but in the various other Select Committees on major projects with everything which forms the basis for those estimates. In particular the report of the Select Committee which has been laid on the table today is evidence that the Budget as presented has our support. I propose, Sir, therefore, to confine myself to certain specific items of policy rather than a detailed examination of the heads of revenue and expenditure, but first of all I take this opportunity to thank my honourable Friend on my right for rising to the fly which I cast last year in this Council on the subject of our surplus funds and for his indirect acceptance of the fact that I was on that occasion I think not so naive as he refused to believe I was. I agree in general with the very comprehensive remarks which my honourable Friend, the Senior Unofficial Member, has just made and in particular I strongly support his plea for the establishment of a Dental School in Hong Kong.

In this Council three weeks ago, Sir, you informed us of the decision taken by the Secretary of State to relax his financial control over us. This is a welcome step, and is in fact a well merited compliment to the manner in which the Administration, and particularly the financial administration, of the Colony has been conducted by those officials charged with that responsibility. As you said, Sir, this brings with it additional responsibilities for all of us: it places a very great responsibility on us, the Unofficial Members of this Council who comprise the majority of Finance Committee. And I know I speak for all my Unofficial colleagues when I assure you that your confidence in the discharge of that responsibility will not be misplaced. In this connexion, Sir, I welcome the measures outlined by the Honourable Financial Secretary in his Budget speech for the tightening up of the observance within departments of rules laid down for the safeguarding of public funds, and the supervision of expenditure in accordance with the votes approved by this Council.

I think it is not out of place in this context, Sir, to introduce one item in the estimates to which the Financial Secretary made special reference—the new Kaitak Airport, the revised estimate for which is \$110 million, excluding the cost of the terminal building, the latest estimate for that part of the scheme being \$26 million. I entirely agree, Sir, with the view of the Financial Secretary that this was a figure which Government was unable to accept *without fullest justification*. There has been a good deal of comment, publicly and privately, occasioned by this reference, but I think that in most cases the implication of the words which I have stressed, “without the fullest justification”, has not been understood. My two unofficial colleagues who sit with me on the Kaitak Progress Committee, the Honourable Ngan Shing-Kwan and the Honourable Dhun Ruttonjee, share my view that we should be failing in our duty to the public if we recommended an expenditure of this magnitude without being satisfied that it is fully justified, and we believe that the proposed terminal building is on a larger and more elaborate scale than is Justified by the figures which have been placed before us. I think it is important to remember that the original estimate for the construction of this airport was something of the order of \$88 million. This has now grown to something between \$120 million to \$125 million and it is impossible for anybody with any sense of responsibility, to regard such an increase with

equanimity. The original estimate for the cost of the terminal buildings and area was about \$7 million. This was reduced to between \$4 million and \$5 million by the interdepartmental committee's report but it has now blossomed forth as \$26 million, partly as I understand it as a result of a decision to build an "International" instead of a "Domestic" airport. I do not agree that that reason basically affects the point at issue. The crucial issue is the number of passengers to be accommodated in what is known as the "standard busy hour" and it is on that unit that the whole terminal is planned. This is not the place, Sir, nor have we the time, to enter into a detailed analysis of passenger figures and traffic and so on. It suffices to say that as far as I and my two colleagues of that Committee are concerned we do not believe that the figure of "standard busy hour" traffic on which the plans have been drawn will, in fact, be achieved within the period for which this building is planned. As I have said, Sir, the arguments and figures so far produced have not convinced us of the justification for the number envisaged. The matter is still under discussion and we are of course, open to conviction, but we should be failing in our duty if we did not satisfy ourselves of the justification. The fact that the completion of this terminal building does not coincide with the operation of the new runway is indeed regrettable, but in fairness to my fellow members on that Committee I would make it clear that we are not the Planning Committee. Our function is to make recommendations to Government on the items submitted to us. But, Sir, because it will be at least two, and may be three, years before this new terminal building, whatever shape it may take, will be available, I find it impossible to agree with my honourable Friend, the Financial Secretary, that until it is ready, and I quote: "the present building will have to serve". There is no need to dwell on the hopeless inadequacy of the present building at Kaitak. Several years ago in this Council, Sir, I dealt at length with that subject and although some improvements have been effected we must accept the fact that the present facilities are still hopelessly inadequate for the volume of traffic. They can be improved at the cost of a reasonable expenditure and I urge most strongly, Sir, that something in this direction must be done with the utmost expedition to provide at least reasonable facilities for the passengers from aircraft using what is claimed to be one of the finest runways extant.

At the last meeting of this Council, Sir, there was laid on the table the Annual Report of the Colony for 1957 in which the comprehensive and brilliantly compiled review of the year contained in the initial chapter was entitled (or perhaps in deference to my friend the A.G. I should say "intituled") "The Changing Face of Hong Kong". No one who studies that chapter or indeed, who has seen the growth in Hong Kong, can be in any doubt that Hong Kong has in fact changed its face, but there are times when I wonder whether Government itself is not also in need of a facelift or, at least, some form of rejuvenation to conform to the Colony's changed face. I am led to this thought, Sir, firstly by the fact that despite the continual references by Government officials and others to the "twin cities" of Victoria and Kowloon it is still necessary for business men in Kowloon, including the outlying districts, to cross the harbour for the transaction of some of the most elementary business involving Government departments. For years we have waited for the establishment in Kowloon of the Government Offices, the removal of the "temporary" Tsimshatsui Post Office (I stress the word "temporary": it has been there to my knowledge for about 25 years) and its inclusion in those offices. Year after year I have regretfully, in the Public Works Committee, had to accept the deferment of this project, because other more urgent calls on the public purse have quite rightly in my opinion been given priority. Once again this year that item is relegated to category C, but the continually growing need for these facilities on the Peninsula is so apparent that its promotion in class is already overdue and I express the hope that during the coming year, even if it does not come under starter's orders, it may be accepted for entry into the race.

In the same vein, I point to the volume of public works, both recurrent and non-recurrent covered by the report of the Public Works Sub-Committee. This list is indeed formidable, entailing the expenditure of vast sums. And for all this my honourable Friend the Director of Public Works has to assume the responsibility. I feel that the time has come when some of his responsibilities should be removed from the jurisdiction of his Department.

In the Budget debate last year, replying to criticisms of lack of co-ordination between Departments, sub-Departments and Public Utilities, the then Acting Director of Public Works

concluded by saying, and again I quote, Sir: "I trust therefore that my honourable Friends will bear with tolerance any apparent shortcomings of a Department which, to my mind, has grown too large and is trying to achieve the impossible—and doing it well!" It is a curious anomaly that although the Department has grown too large it is still not large enough. Many urgently needed public works have had to be either delayed or entrusted to private architects and engineers because of lack of the requisite staff in the Public Works Department. I am fully aware of the difficulties that have been experienced in recruiting staff in this field and I do not suggest that the proposal I now make will immediately solve that problem. That proposal, Sir, is that the two highly important responsibilities of my friend on my left, Water and Lands, should be divorced from their present parent and organized as separate departments. Not only would this relieve the capable shoulders of my honourable Friend from a great deal of the stress which he now bears, with resultant benefit to public works as such, but I am certain that the three departments, themselves, would operate with better results. Their efficiency, Sir, is not in question here, and let me make it clear that I do not advocate the immediate application of Parkinson's Law—the reorganization I have proposed could undoubtedly be carried out with a minimum increase in staff costs and there is ample precedent for such a dispersal of responsibility. The Secretariat for Chinese Affairs gave birth to the Labour Department and the Department of Social Welfare, while the Urban Services Department is the proud parent of the Resettlement and the Housing Departments. If another analogy is required, Sir, in other territories where there are public works problems, and their programme does not even approximate the size of ours, both those particular problems, water and land, are the subject of separate administration. While on this subject, I was pleased to learn, during our discussions in the Select Committee, that the Commissioner of Police is to receive extra assistance in the administrative and planning side of the Force, leaving experienced Police Officers free to do a Police Officer's job. I hope that this planning will be broadened to include an examination of the possibility of relieving the Commissioner of Police of the responsibility for such things as the Immigration Office and the various Licensing activities for which he is at present responsible and which do not, to my mind, fall into the strict category of "a Policeman's lot". I accept the

fact that in the circumstances of Hong Kong it is necessary for the Police to have a very close contact with those activities, but I would rather see them carried out other than by trained Police Officers, whose duties call for the specialist knowledge which they enjoy being applied to being Policemen.

Both in Your Excellency's address and by the Honourable Financial Secretary in presenting the estimates stress was laid on the importance to all of us in this Colony of the water supply, or rather the deficiencies in the water supply. We all accept the fact that it is absolutely essential that all possible sources should be investigated and all possible steps taken to tap those sources of this vital necessity. In the past, suggestions of the possibility of converting sea water into water suitable for domestic and factory use have been rejected on the grounds that the cost is prohibitive. I do not, Sir, pretend to any technical knowledge in this matter but I would invite the attention of my honourable Friend, the Director of Public Works, if he has not already seen it, to an advertisement by a group of British Engineering firms which appeared in the "Times Weekly Review" of Thursday, March 13th this year. In this advertisement the claim is made that an evaporator has been evolved which will distil] from sea water anything up to 25-tons of fresh water per hour. No details of the plant are given nor in fact is there any detail of cost, but the final sentence in the advertisement is the one which caught my eye and which I now quote: "Fresh water from sea water now becomes feasible economically where cost had hitherto put it out of court".

In conclusion, may I refer to the completely unsatisfactory and indeterminate reply given by the Secretary for War in the House of Commons to a recent question on the continued requisitioning of La Salle College by the Military. This matter has been ventilated so often in this Council that it is unnecessary for me to recapitulate the facts. It is sufficient to say that a requisition made in 1949, and at the time declared to be temporary, is still in force. This important educational establishment is still denied to its owners and the public for the purpose for which it was built. It is still only partially utilized for the purpose for which it was requisitioned, and the best Her Majesty's Government can say (at long last) is that the War Office has decided to build new hospital accommodation but, and I quote: "it is too early to estimate accurately when the

hospital building will be completed". Once again, Sir, I request this Government, who were the requisitioning authority, to use their best endeavours to obtain some more concrete expression of a definite intention to release this building for its vitally important purpose at the earliest possible date. (*Applause*).

MR. LO MAN WAI: —Your Excellency, on the morning of the Budget day, I, in anticipation of a rather lengthy and heavy session in the afternoon, thought it would be a good thing to be in a cheerful mood for the afternoon and so I read the Bird's Eye View column of the South China Morning Post. But the very first item gave me quite a shock. In case honourable Members were too busy on the Budget day to have the time for a little mental relaxation and by-passed this column, I will quote it. This item is as follows: "Budget Day otherwise known as Arthur's Awful Anguish." (*Laughter*). On reading this, awful thoughts flashed through my head. I asked myself, had there been a Budget leak? Had the usually cheerful bird obtained in advance bad news about the Budget? For instance, an increase in the business profit tax. Had it also changed into a bird of illomen like Edgar Allan Poe's Raven? Happily all my misgivings were quickly dispelled as I listened to Arthur's, Sir, I beg your pardon, to my honourable Friend, the Financial Secretary's speech. I observed no distress signal. But neither did I see the bird in this Chamber on that afternoon. Perhaps it could not gain admittance, because the Chamber was so full. This was a pity because had it been present, I am sure it would agree with me, when I say that the Financial Secretary appeared to be very pleased with himself on that occasion. He seemed at one time like a cricketer enjoying a long innings on a good wicket, breaking one record after another and at another time, to resemble a dentist, very proud of performing on his patient, the Hong Kong taxpayer, an operation of painless extraction.

Sir, joking apart, not only the Financial Secretary, but I think everyone in Hong Kong, rich or poor, should be satisfied with the Budget. Of course no budget can ever satisfy everybody. For example, take the case of those motorists who had recently written to the Press complaining about the charges for the car park being excessive. I suppose they would now point out that Government with an estimated revenue for the coming year of over \$500,000,000 can well afford to build more car parks and demand that these should be provided free of charge. But while there may be some people in Hong Kong finding faults with the

Budget, I have evidence that it makes a very good impression on visitors who have the misfortune to pay much higher taxes in their own countries. A gentleman from an European country was talking to me the other evening about the Budget. He was astonished and envied us at our ability to raise so much revenue with so little taxation.

Sir, I have little to say on the Budget, but I would like to make some observations on one item in the estimates of expenditure. It is under the Heading Subventions. The estimate for 1958-1959 amounts to \$62,082,900. Now this is quite a large sum but I suppose no one would cavil at Government devoting so much money in assisting the cause of education, hospitals and other charitable organizations. With our swollen population, the field of charitable activities is ever expanding, and the call on Government grants increases yearly. Now it seems to me that there is one source of revenue which I consider is suitable to be used under this heading but which due to a curious combination of circumstances, remains untapped. I have in mind the huge takings accruing to the Hong Kong Jockey Club from the running of cash sweeps. For the year 1955-1956 the sale of cash sweeps amounted to \$7,412,600 and the special sweeps to \$13,592,000. Now it seems to me, having regard to the changes in Hong Kong since 1932 and the vast sum of money now realized by the sale of these sweep tickets, Government should take over from the Jockey Club the running of these sweeps. As sweepstakes are only one form of lottery, I realize my proposal is in effect for a Government lottery. And as lottery is a form of gambling, I suppose my proposal may shock those who regard any sort of gambling as one of the deadly sins. Of course, there are arguments both for and against legalized and state-controlled gambling. But it is quite unnecessary for me to go into the pros and cons of the matter for in point of fact Government has already sanctioned lotteries and takes a share in the proceeds. This was carried out by the Betting Duty Ordinance which was passed in 1932. I confess I can see nothing wrong in Government legalizing lotteries. There are Government lotteries in countries of the Commonwealth, such as Australia. But the practical effect of this Ordinance is to create a monopoly in favour of the Jockey Club, with the result that the gambling propensities which are so strong among the Chinese people are canalized into the coffers of the Jockey Club. I remember well the state of affairs before this Ordinance was enacted. When I returned to Hong Kong

in 1916, the sweepstakes run by the Jockey Club brought in very little money. Everybody then was attracted by the high prizes offered by the Calcutta Sweeps and the Shanghai Champion Sweeps. About 1920, the enterprising committee of the Chinese Club started a scheme to run a sweep on the Hong Kong Derby on a scale much larger than the one run by the Jockey Club. The first prize came to be about \$100,000 which was quite a big sum in those days. The scheme was so successful that a nice building fund was created by the Chinese Club. Soon other clubs followed suit and eventually the South China Athletic Club outstripped the Chinese Club. Mushroom clubs with an imaginary membership list sprang up solely for the purpose of running a sweep. Government had no alternative but to intervene and to put an end to this state of affairs. This it did by passing the Betting Duty Ordinance. This Ordinance killed all sweepstakes run by all clubs except those run by the Jockey Club by one simple provision, which is worded as follows: —

"Section 2. Ordinary social or sporting clubs in the Colony may, with the permission in writing in each case of the Commissioner of Police and subject to such conditions as he may see fit to impose, conduct cash-sweeps on horse or pony races: Provided that not less than eighty-eight per cent, or in the case of a club organizing the race not less than seventy-two per cent, of the total contributions or subscriptions, after deduction of the duty, shall be devoted to prizes for the subscribers."

I don't think that any one with the exception perhaps of one or two long sighted fellows could at that time foresee that this Ordinance would become such a gold mine to the Jockey Club. It certainly took several years before the sale of sweep tickets by the Jockey Club gained momentum. But conditions have changed tremendously since 1946 and sales of sweep tickets have reached a very high figure. Let us look at the present position. According to the report of the Jockey Club for 1957, the total revenue for the year amounted to \$22,979,000. After paying Government taxes amounting to \$9,834,000 and other expenses there was a surplus of \$10,897,821. Out of this surplus, the sum of \$4,628,499 was allocated for donations for charities and other worthy causes, and the sum of \$12,831,335 was transferred to General Fund which stands at the figure of \$18,424,000. It is interesting to note that Government itself is a suppliant for grants from the

Jockey Club. Government got the additional sum of \$1,000,000 for Sai Ying Pun Clinic, the sum of \$900,000 for a Government school on Morrison Hill, the sum of \$37,000 for a floating clinic, the additional sum of \$250,000 for Victoria Park Swimming Pool. But imagine the talk, the correspondence to and fro, before the Jockey Club graciously makes the donations!

Now it seems to me that this is an extraordinary position. I believe the Hong Kong Jockey Club is unique among the racing clubs in the whole world, in that all legalized betting and sweeps can only be conducted by the Jockey Club. I think the present position should be rectified by a change in the law so that the percentage of sweep moneys which now go to the Jockey Club would go direct to Government to be used for charitable purposes. This change should not hurt the Jockey Club financially. The money it makes on the totalizator should be more than sufficient for its needs as a racing club. And I am not sure that the stewards will not welcome the change for then they will not be burdened with the heavy responsibility of charitable distributions and be free to devote their time to their normal duties as stewards of a Jockey Club. This extra revenue which should produce roughly \$5,000,000 should be under the control of a Committee appointed by Government and consisting of persons interested in and conversant with social welfare and be distributed amongst the deserving charitable organizations under proper control.

Let me summarize the grounds on which my proposal is based: —

- (1) The inevitable consequence of the existing law as embodied in the Betting Duty Ordinance is to divert all moneys from legalized gambling into one single club, *i.e.* the Jockey Club.
- (2) It is not the main and proper function of a horse racing club to run lotteries.
- (3) This source of income which comes principally from the Chinese people is a Government creation and should be under Government control.
- (4) This income should be used for charitable purposes and it is obvious that the 99% of the beneficiaries are Chinese.

- (5) Although the Jockey Club has a membership of 6,000, only one steward is a Chinese and the constitution of the Jockey Club is such that there is practically no prospect of any change of the composition of the stewards.
- (6) With the knowledge that there is an assured income for charities, the charitable workers would have more time and energy for the proper administration of charitable funds.

And now a word on the water problem. The Financial Secretary has given us a clear picture of this problem. Everyone must agree that an adequate supply of water is a vital necessity. I am glad to note that Government is looking out for further sources of water supply, and places the provision of water on the top priority list. The Financial Secretary has hinted at the possibility of an increase in the price of water. I can see no objection to that. Considering the vast sums that have been and will have to be spent on reservoirs and catchments, I think the present rate of 80 cents for 1,000 gallons of water is too low. Assuming the daily requirement per person is 6 gallons, the monthly cost per person is only 16 cents. Even if the rate were doubled, the monthly cost is only 32 cents. I suggest that Government should use the extra revenue from the increase in water rate in providing tanks in the outlying districts in Hong Kong to store the rain water which goes into the Harbour. It really hurts me to see during the rainy season the great quantity of this precious liquid rushing through nullahs into the sea.

My honourable Friend, Charles Terry has spoken on the Airport and has commented on the unfitness of the existing terminal building. I desire to follow up this point.

In the annual report recently published by the Director of Civil Aviation, the following figures of passengers arriving at and leaving the air port during the past three years are given. They are as follows: —

	<i>In</i>	<i>Out</i>
April 1954 to March 1955	59,004	62,156
April 1955 to March 1956	70,525	76,791
April 1956 to March 1957	89,969	97,996

During the year ending March 1957 there was a 28 per cent increase in the number of passengers over the previous year.

The existing terminal building is quite inadequate for the present volume of traffic and now compares unfavourably with other major air ports in the Far East. The volume of air traffic will continue to increase steadily in the next few years and Government ought to consider as a matter of urgency the temporary enlargement of the existing terminal building to cater adequately for the movement of passengers until such time as the new terminal building is in use.

It looks as if the new terminal building will not be ready for at least three years. The Financial Secretary has informed us that the reason for this delay is to revise the plans with a view to reducing the cost substantially. This I presume may be in the region of a few million dollars. It seems to me therefore it is right and proper for Government to spend a few lakhs to enlarge the existing structure.

Sir, in your address Your Excellency gave us the estimate figure of 2,677,000 as our population. Opinion seems to differ as to the exact figure of our population. I am told that according to a survey conducted by the Hong Kong University the population is estimated at not more than 2,400,000. If we are to have any sound planning in housing, education, hospitals, etc., it is essential to have an accurate figure of the population. We have not had a Census for over ten years. I suggest that it is about time that we have another Census and that Government should proceed with the preliminary steps forthwith.

A word about the Naval Dockyard. It is indeed sad that the Naval Dockyard, with its proud record of activities for nearly a century, should now have to face a gradual running down until its closure scheduled in November 1959. As Your Excellency has pointed out, the question of unemployment, consequent on the gradual closure of the Dockyard, is a matter of concern not only to the employees and their families, but to the public at large. I am sure the community has read with gratification from Your Excellency's speech on the 6th March of the very prompt and effective measures taken by Government in helping to find re-employment for those affected. I feel that Government deserves the thanks and appreciation of the community.

In speaking in a Budget debate, the main theme is naturally about money. I wish for a while to leave out dollars and cents and speak on matters affecting the health and lives of the people.

My honourable Friend, Dr. Chau, has spoken on Health. Although I am unlike him, who is an expert on this matter, I venture to say a few words on one aspect of hospital accommodation. We all know that there is an acute hospital shortage, and that non-Government hospital facilities are frequently beyond the means of the poor. I am not clear about the present position of Government hospitals. As regards the Queen Mary, my understanding is that it is both a Government and a teaching hospital; that certain wards are placed at the disposal of the Medical Faculty of our University in its various branches; that certain wards are reserved for the Medical Department; and that admissions to the wards of the hospital, on the part of the general public, are through the various Government Clinics and through Casualty. As regards the Kowloon Hospital, which is not a medical teaching hospital, admissions, on the part of the public, are only through Government Clinics and through Casualty. I feel sure it will be of great interest to the public if Government would make a detailed statement on the position as regards the Queen Mary, Kowloon, and other Government hospitals, specifying in respect of each hospital, for, say, the previous 12 Months, the number of admissions of—

- (1) members of the general public, and
- (2) Government servants and their families.

It is good to know that a start will be made on the construction of the new Kowloon Hospital. Here again, I would like Government to state how many beds, in the new hospital, will be made available to the general public and how many to Government servants and their families.

I feel sure my colleagues will understand that I am not in any way grudging the medical facilities to Government civil servants and their families; I understand that such facilities constitute a contractual obligation on the part of Government. But in order that we may understand how far the building of the new Kowloon Hospital will in fact contribute to bridging the gap in the existing deficiency in Government hospital facilities to the general public, a statement by Government on the lines I have suggested will, I feel, be welcome.

And now I would like to speak on one aspect of the Traffic problem which directly concerns the lives of the people. I was impressed by an address given by the Senior Divisional Superintendent of Traffic, Mr. A. Morrison, before the Rotary Club

last year. He gave figures of persons killed as a result of motor accidents from 1955, 1956 and 1957 which showed an average of over 100 fatal cases per year. He went on to prophesy that more than 100 people will be killed and 4,000 injured as a result of traffic accidents in the course of the coming year. He further stated that in the majority of cases, these accidents had been or would be due to some degree of negligence or carelessness on the part of a driver or a pedestrian. I fully agree with what Mr. Morrison had said except I would wish to add that driving at excessive speed and driving in a manner dangerous to the public is a real menace to the lives and limbs of the guiltless users of the roads.

Judging from the reports in the newspaper of motor accidents day after day, I fear Mr. Morrison's prophesy will be fulfilled. It is a terrifying thought at this very moment a motor car accident may occur causing deaths or serious injuries.

Can Government do anything to stop, or at any rate reduce, this tragic loss of human lives? Government has recently amended the law by providing severer penalties for traffic offences. But a good law remains a dead letter without effective enforcement.

From reports in the Press and my experience in a recent case, I would say that in many cases traffic offenders are too lightly dealt with in Hong Kong and sometimes they even get off scot free. I know the difficulties which the prosecution officer in traffic cases has to contend with. For one thing, it is quite true that Chinese people are reluctant witnesses. And even if you have a willing witness he may change his mind when he knows that the case may not be heard for a few months. But supposing there is a willing eye-witness in case of gross dangerous driving and the case is brought before a Magistrate, would there be a conviction for dangerous driving? From my experience in a recent case the answer appears to be in the negative. I was an eye-witness in one of the worst cases of dangerous driving I ever came across and gave clear and uncontradicted evidence. But the Magistrate after the defendant had given a feeble explanation, dismissed the charge of dangerous driving and convicted him of the minor charge of driving without due care and consideration. He then addressed the defendant and told him that if he had admitted his liability to me for damage to my car, the case could have been settled out of Court. I felt I had to tell the Magistrate when I appeared in Court as a witness in case of dangerous driving I did so in performance of what I conceive to be my public duty and not in protection of my private interest.

Sir, in my opinion it is difficult for a Magistrate however learned he may be in the law, to appreciate and assess the evidence relating to traffic offences unless he is an experienced driver. For the effective enforcement of the law, I suggest the following measures be adopted: —

- (1) A special Traffic Court be instituted so that traffic cases can be expeditiously heard.
- (2) The Magistrate, in cases of dangerous driving, be assisted by an assessor to advise on the evidence relating to the alleged dangerous driving. The assessor to be chosen from a panel of experienced drivers who are willing to act in this capacity.
- (3) In case of dangerous driving, the prosecution should be in the hands of a Crown Counsel.
- (4) On a conviction for dangerous driving, a suspension of the offender's licence should be imposed automatically.

Sir, in conclusion, I feel it is a pleasure to associate myself with the Dr. Hon. S. N. Chau's remarks about Your Excellency at the beginning of his speech. It is a great comfort to us that you were fully conversant with our problems, our outlook and our way of life, before Your Excellency assumed your high office. I am saying this at the end which I regard as the most important part of a speech. (*Applause*).

MR. NGAN SHING-KWAN: —Your Excellency, my honourable Friend the Financial Secretary has never been one to give Unofficial Members much scope for criticism, and the wisdom of his budgetary policies has been amply illustrated by the Colonial Office's latest relaxation of the controls which it exercises over our finances. Last year I expressed the opinion that the anticipated deficit would not materialize and that we would not have to draw on our reserves. This year I am not so sure. We shall doubtless collect more and spend less than we have budgeted for, but I shall not be surprised if there is a small deficit at the end of the coming financial year. Fortunately, we still have our reserves, and Government has decided very rightly to press ahead with its development plans and to adhere to its policy of looking firstly to those reserves if a deficit should result.

Your Excellency's review of our activities leaves no doubt that you have quickly grasped the salient features of the problems confronting Hong Kong today, and I note that housing was one of the first points to which you referred. This problem has been

much in our minds of recent years and notwithstanding the very commendable results achieved by the Low-Cost Housing Society, the Housing Authority and other bodies, it is clear that the major task is still ahead of us. One of the most important considerations in this connexion is that of relating rents to wages. I touched upon this point at the last budget debate and am pleased to note from the Annual Report for 1957 that rents at the Housing Authority's So Uk Estate will be substantially lower than in other schemes. This is excellent news. I do not know by what means this lower rental will be achieved but it has occurred to me that we may be aiming too high in seeking to transport a family from an 8'x8' cubicle to a self-contained flatlet in one move. Would it not be possible to reduce costs, and thereby rents, by having two families share the same kitchen and toilet facilities? They would have privacy within their living rooms and the accommodation would still be beyond all comparison with the conditions prevailing in many tenements. Reluctance to lower the standard of accommodation must be tempered by the knowledge that, even with the husband in regular employment, the monthly income of many families is less than the minimum of \$300.00 at present necessary before one may be considered for low-cost housing. If by modifying standards and reducing rents, we can bring into the fold the thousands of families with incomes of between \$200 and \$300, it will be a notable step forward. The high percentage of applicants, who have declined to take up accommodation in the higher-rental range at the North Point Estate, emphasizes the need to reduce rents and I deplore the necessity to accept application from families with monthly incomes of between \$900 and \$1,400. The Housing Authority was not formed with the intention of providing low-cost housing for this income group, but allowance must be made for the fact that North Point was its first scheme, and I assume the lesson has been well learnt.

Another subject which Your Excellency dwelt upon at some length was that of education. The proposed expenditure under this head is more than double what it was four years ago—a clear indication of what has and is being done to care for the Colony's children. But, if comparisons are the order of the day, there is another figure I would like to quote and it is taken from the estimates of revenue. During the coming twelve months Government expects to collect approximately \$3 millions by way of school and examination fees in return for an outlay of

\$91 millions on education. These figures speak for themselves. They require no elaboration on my part, but they are I think worthy of note by parents and the community in general. It is particularly gratifying to observe the progress that is being made in our efforts to ensure that there is a place for every child of primary school age. By December last the seven year plan for primary education had produced some 85,000 new places with many more schools under construction or in the planning stage. There is, however, another side to this progress, a problem we are creating for ourselves in our determination to provide primary education for all. I refer to the ever-widening gap between the number of places available in primary and secondary schools. In 1954 the ratio was slightly more than three to one. To-day it is over four to one and likely to increase. It is the inevitable and indeed anticipated consequence of our concentration on primary education and casts no reflection on Government. But it is nevertheless a problem, and one that has to be faced. King's College is to be extended and token votes are shown in the estimates for reprovisioning the Belilios and Clementi Schools, all of which will produce additional accommodation, but not on sufficient scale to maintain the previous ratio between primary and secondary schools. It is becoming increasingly difficult to gain admittance to secondary school as competition increases for the limited number of places available, and this is a matter which will have to receive the consideration of the Education Department.

From secondary I turn to post-secondary education and the position of the colleges offering courses in the medium of Chinese, to which my colleague, the Senior Unofficial Member has already referred. In his address before this Council on the 27th February, 1957, Sir Alexander Grantham stressed the important part that these colleges have to play in the life of the Colony, particularly in regard to the further training of students from our middle schools, who should not have to look outside the Colony for higher education. But Government support for these colleges has been limited to land grants, and it seems unlikely that they will be able to take their proper place in our educational system unless financial aid is forthcoming. We are at present subsidizing education at primary, secondary and University levels and it would seem not unreasonable that this form of assistance should also be made available to post-secondary colleges that seek to improve their status.

It has probably come as something of a shock to many residents to learn that water is still a very serious problem for Hong Kong. We were warned that the opening of the Tai Lam Chung Reservoir would not see the end of our worries, but few could have anticipated that it would be necessary for our Honourable Financial Secretary to paint such a black picture of the situation within so short a space of time. That he was well-advised to do so there is no denying, and the community shares the fervent hope expressed by Your Excellency that new sources of supply will be found within our territory. Particularly disturbing is the report that in Kowloon it is becoming difficult to obtain well water and I can vouch for this in respect of premises which previously experienced no shortage. This leads to greater use of mains water for flushing purposes, not only in the areas where official permission has had to be given, but also in thousands of homes where fresh water is stored in tins and buckets to overcome the lack of supply from wells. I, therefore, fully endorse the proposal to spend \$3 millions on salt-water flushing. From the amount involved, it is clear that the scheme which Government is about to embark upon is not a large one. But it raises interesting possibilities, and I hope consideration will be given to its adoption on a wider scale if the results warrant. It is also to be hoped that my honourable Friend's remarks regarding the cost of the water undertaking have not passed unnoticed.

I am pleased to learn that my honourable Friend the Director of Public Works has been able to take time out from more serious problems to convince our Honourable Financial Secretary of the need to increase the vote for road maintenance by two millions. I am perhaps over sensitive to the state of our roads by virtue of my interest in public transport, but it has always appeared to me that the maintenance vote was insufficient, and I cannot help feeling that, if we had spent a little more on maintenance in the past, we would not have been faced with such a large bill for emergency repairs following last year's heavy rains. Whilst on the subject of roads Government is to be congratulated on the successful outcome of its negotiations with the military authorities for the resumption of the Murray Barracks area. The recent announcement in this respect has given rise to considerable speculation as to the road improvements that are likely to result. The public has great expectations and it is to be hoped that the departments concerned are thinking along modern lines.

Two members of this Council referred last year to the desirability of constructing a fly-over from Murray Road into Garden Road and I must say that I have long held the view that we must carry Upper Levels traffic over Queen's Road if any substantial improvement is sought. Queen's Road East is admittedly a bottleneck, but eastbound traffic still flows fairly smoothly and the main problem is the obstruction caused to vehicles entering the city by cross traffic from Murray Road. I sincerely trust that our engineers will not be influenced by the Harbour Tunnel Report which envisaged a roundabout at this major junction. The one we constructed at Causeway Bay a few years back has already proved its inadequacy when it comes to coping with heavy traffic.

As a member of the Kai Tak Progress Committee, I appreciate and share Government's concern at the high estimated cost of the terminal facilities for the Kai Tak airport, regarding which my honourable Friend Mr. Terry has already spoken. The construction of the runway has been a major engineering project, as Your Excellency described it, but it is I think true to say that the average traveller judges an airport not by its runway, but by its passenger-handling facilities and the smoothness with which he or she proceeds through the terminal building. This in turn is not so much a matter of the facilities themselves, but the scale on which they are provided, and in this we must be guided by the number of passengers likely to be using the airport during the next ten years, which is the limit set on planning for the first stage of the terminal building. That this number will show a marked increase over the present figure goes without saying, but in estimating to what extent, we have to take into consideration world and local trends in air traffic and the fact that the annual percentage increase will probably occur at a decreasing rate in the future. The terminal building at Kai Tak will be so designed that it will lend itself to future extension and the installation of additional traffic-handling facilities when the demand warrants, but there are limits to what may be done in this direction, and it does seem that we shall have to resign ourselves to quite heavy initial expenditure. Unlike other cities, we do not have the land to erect a second terminal if the first one proves inadequate. The area at our disposal is limited and we must make good use of it. Concern has also been expressed that conditions at the existing terminal may become intolerable during the next two or three years, whilst the new building is under

construction. This is a sound point and I support the view that we should make temporary improvements during the interim period.

With these remarks, Sir, I have pleasure in supporting the motion on the Bill before Council, and congratulate the Honourable Financial Secretary on his skillful handling of our finances, which has again resulted in the production of a very satisfactory Budget. (*Applause*).

MR. DHUN RUTTONJEE: —Your Excellency, every comment upon the Estimates for 1958-9, and upon their presentation, must, I think, begin with congratulations to the Government, and especially to the Financial Secretary, upon the health of the finances and the skill applied to their management. To adapt a proverb, the proof of the Budget pudding is in the ends meeting—which I may translate as continued expansion and development, with no new taxation.

You have appropriately observed, Sir, that the primary factor among the many that govern us is the pressure of population. Whatever statistics may say, the congestion is increasing visibly. In his valedictory address to this Council not long ago Sir Alexander Grantham referred to the problems imposed on this administration by the enormous influx of refugees into the Colony during the last ten years. This problem has been most excellently summed up in the small Government pamphlet "A Problem of People": I should like to take this opportunity of congratulating the person or persons responsible for the excellent survey of our major problem. It was, I believe, originally printed as the opening chapter to the 1956 Hong Kong Annual Report.

Sir Alexander Grantham referred to the fact that one of the reasons why we had received no practical help from Her Majesty's Government was that we were considered to be financially well enough off to carry the burden. He went on to say that if we had not spent some \$300 million on refugees we could have financed many of the vital social services and other amenities, some of which we are here to-day to consider in relation to Government's overall programme for expenditure for the next year.

We have still heard nothing further from Her Majesty's Government. Last November, the United Nations resolved that States and non-governmental organizations should give all possible assistance to Government to alleviate the distress of the refugees and authorized the United Nations High Commissioner for Refugees to use his good offices to encourage arrangements for contributions. Again, we have heard of no positive action since these generous phrases were made. I urge this Government, Sir, to continue to keep this matter before the world and to continue to seek assistance until some concrete action is forthcoming. Meanwhile the Government must be given full popular support in its efforts to limit the continued influx. The burden, as it is, cannot be left entirely to the Hong Kong taxpayer.

To those who have not been out of the Colony, the gradual thickening of the congestion of population has been perceptible enough. A resident recently returned from abroad described it to me as "frightening"—as a compression that could burst! I will not here explore the political nuances of that remark. It brings into discussion, however, the merits of policy and administration. Speaking on the Estimates of a previous year, I dwelt upon the necessity for more observant planning. This remark was misinterpreted. I did not confine the term to "Town-planning". What was in my mind was that Hong Kong's conditions call for a high degree of co-ordination of plans. This is being demonstrated again by several of the consequences of closer density of population. We need more and higher buildings, but these in turn need services, wider streets and pavements, and more parking places. I hear, incidently, that the postmen are now complaining of having to deliver letters to high top floors. Also, we discover, more people per acre need more flush water, and the wells are proving inadequate, in spite of rain. Thus effects follow upon causes, one project leads to another, and there is unquestionably a need for liaison, so that planning shall be comprehensive and far-seeing.

I think we may well allow the lesson to carry us into wider fields of timely thought. I would urge, Sir, that with the enormous increase in expenditure envisaged for this year, \$87½ million more than last year, the time has come to provide greater administrative guidance and assistance within the major

departments. The Financial Secretary referred to an important problem of control for which no solution had yet been devised, namely that when preparing the annual Estimates it is very difficult to decide whether an application for special expenditure is really justifiable. This, I would submit, is but one part of a larger disability.

Expenditure for the Public Works Department, including recurrent expenditure, will amount next year to \$60 million, plus non-recurrent expenditure of \$183 million. Three other departments are also responsible for large sums of expenditure—the Education Department, \$31 million; the Medical Department, \$43 million, and the Police, \$54 million, or \$55½ million if the Auxiliary Police expenditure is added. Among them, these four departments account for \$374 million of our expenditure, and that is well over half the grand total. Admittedly this figure is swollen by the capital expenditure of the P.W.D.; but, there again, the major portion of that is work directly associated with these four departments.

All of these departments employ professional or specialist officers who are directly responsible to their head. I do not question the ability or the efficiency of these officers, but I do feel that we may be expecting too much of them. They are primarily professional men, and as such shoulder great responsibilities for technical perfection. I do not propose a return to the old Cadet system, but has not the time come for Government to consider the appointment of administrative officer to the principal departments? These officers would be directly responsible to the Heads of these departments for the general administration, and they should have high administrative ability: their wide knowledge and experience having been gained mainly through the Secretariat. Such men would surely be of invaluable assistance to the Heads of technical departments in the overall planning of projects, bringing detached opinions to the problem of assessing the merits of one project over another. They could also be helpful in assessing staff requirements and examining requests, thus relieving the professional officer of the greater part of his administrative duties. It is important that advice should be adequate for it is fatally easy, when expenditure is rising rapidly, to fall into waste and extravagance. The decentralization of the duties of scrutiny would also be of assistance to the Secretariat. I appreciate that Government may well have given consideration

to a proposal of this nature already, but I strongly urge an experiment this year with this suggestion, in at least two if not three of the departments named.

As well as administrative planning, we must also look well ahead into the Colony's economic future. We have read much in the papers recently about a "recession of trade", particularly in the United States and less volubly in certain European countries. Personally I think this is a result principally of increasingly keen competition for trade, and that a "depression" as we have known this term in the past, is not imminent. Even so, we in Hong Kong cannot remain complacent about our own state of affairs nor oblivious of what is happening elsewhere. We must be prepared for a very highly competitive buyers' market within this financial year. We may well have to face a difficult period. To date we have managed to sell our products without great difficulty, but if the level of consumption is going to fall elsewhere then we may find ourselves at a loss for remedies. In addition, other countries will be constrained to provide more tariff protection for their own industries, to Hong Kong's disadvantage. Part of our policy, it seems to me, must be continuous improvement both of quality and design, and, even more promising, a greater variety of products. Greater efforts should be made to urge that a more sympathetic attitude be shown to Hong Kong's industry. I trust that the Government will energetically press for a fair deal for Hong Kong and to dam any further agitation to close to us markets which our products legitimately enjoy and which are essential to our survival.

There is not much time, and I would urge that none be wasted. I beg Government to do all that it can to foster and encourage new industries, especially in products which at present are comparatively unknown to Hong Kong manufacturers. For example, there is an enormous market throughout the world, particularly in the West, for domestic appliances. We have never entered this field, though we do have both the skill and the capital to develop local production of these aids to better living. A beginning could be made, as elsewhere, by assembling imported parts under licence, for distribution in South-east Asia. The saving of freight and insurance costs should make this idea attractive to overseas manufacturers. We could make more "gadgets" ourselves, but further development in new fields is

vitality dependent upon ideas and designs. We have the ingenuity, but the designers are lacking. Could not Government do more to train our young people in industrial design and invention? Further expansion of the Technical College suggests itself.

This is but one channel of Government aid to industry. Every effort must be made to establish the Federation of Hong Kong Industries as an effective organization. Upon that body will fall the main task of marketing our products. And lastly I would suggest that Government give early consideration to providing more sites for industry. With a population increasing at the rate of eighty or ninety thousand a year, we must look and plan well ahead. Kun Tong is an appreciable contribution; but do not let us stop there. Lantao is also being developed for factory sites, a very commendable example of industrial initiative. I would have Government give early thought to establishing a "factory estate" there by providing formed sites with drainage, water, and road and sea access. The sites that would then be available would be very attractive to our industrialists. The land would be cheap in comparison with urban area sites, and I am sure would quickly be snapped up. This type of development could equally well be undertaken by a private corporation, Government providing an appropriate proportion of the finance.

I strongly urge that planning commence without delay and before we find ourselves badly in arrears in world competition. It may be necessary for Government to set up a small Economic Planning Unit to examine proposals in consultation with our trade and industrial interests, with a view to presenting a practical development programme. Unless we do think along this line we will not be able to find work for our expanding population, employ the products of our ever improving educational programme, or contrive and finance our continuously expanding services. Our future calls for as much management as we are capable of giving it. (*Applause*).

MR. KWOK CHAN: —Your Excellency, the presidential address which Your Excellency gave at the meeting of this Council three weeks ago in review of the Colony's activities and in reference to future policy was both realistic and inspiring. Indeed, we consider ourselves very fortunate in that following on the ten

years' brilliant administration of Sir Alexander Grantham we have in the person of Your Excellency a worthy successor to lead us still further forward along the road to progress and prosperity.

Sir, in your address you referred to the question of refugees, which you described as a difficult one. I think it certainly is!

When this problem was raised by Sir Alexander Grantham in his budget speech last year, I expressed the hope that better appreciation of the real issue of this human problem, as reiterated by His 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.

Considerable attention was drawn to this Chapter of "A Problem of People" following its publication and the many expressions of sympathetic interest coming from many sources outside Hong Kong gave rise to hopes that early assistance may be forthcoming to help Hong Kong in this gigantic task. However, things did not turn out as we had hoped. What are the real reasons? Can it be that this problem is regarded as preponderantly Hong Kong's own domestic problem, and best be left to Hong Kong to cope with alone? Or is it assumed that the situation has been brought substantially under control, in view of the colossal sums of money that Hong Kong has expended on the provision of resettlement housing, and of the remarkable results that have been achieved, and that external aid is no longer needed? I can only say that neither is in any way a correct evaluation of the situation.

In spite of what Hong Kong has spent in terms of dollars, and has done in terms of resettlement work (and will, I have no doubt, continue to spend and continue to do) on resettlement housing and other problems arising therefrom, there remains a lot of work to be done, and a lot more money to be spent. And as long as circumstances continue to be what they are now, it is inevitable that we shall have to pursue the course of action indicated by Your Excellency in your address, costly as it will continue to be to Hong Kong.

Coming to the estimates I would first like to associate myself with the Honourable speakers who have preceded me in paying high tribute to my honourable Friend the Financial Secretary

for the painstaking and expert manner in which he has again prepared the budget for presentation this year. In doing so he has added to his illustrious record another piece of what I might call budgetary wizardry.

About ten year ago an honourable Unofficial Member of this Council opened his address in a budget debate, in which an estimated expenditure of only \$179 millions was involved, by saying, —"once again we are asked to approve a record budget for the coming financial year." Looking back over the years I think I am safe in saying that the same remark can well be repeated from year to year. To-day we find ourselves dealing with another record budget which is more than three times the figure of ten years ago, and incidentally, is one that takes top place in our budget records. Yet strangely enough, we seem to be less susceptible to the magnitude of the highly increased expenditure now than we were in the past. Perhaps the human mind is coming to be more acclimatized to fast changing conditions going on in this new era of satellites and sputniks, where sharp rising records both in financial as well as in scientific spheres are so common that lesser records are liable to be overshadowed. However, I think that our complacency over our record budget in this case was not due to this frame of mind but to the effect of the most reassuring explanatory statement accompanying the presentation of the Appropriation Bill made by my honourable Friend the Financial Secretary three weeks ago. The announcement made by him that he saw no justification for any increase of taxation undoubtedly added the final touch to the tranquilizing effect.

Nevertheless, re-assuring as his speech has been, one should not be so overwhelmed with pleasure as to overlook the salient hints of caution mentioned in his address. For instance, in referring to the history of the past two or three years, when we have budgetted for a deficit which in the end turned out to be a surplus, the Honourable Financial Secretary warned against too much complacency over the case of our deficit of \$87½ millions this year. Then he went on to express his expectation that some of the votes will be underspent, quoting, as an example, by way of reasonable care in the use of electricity.

I am in general agreement with his warning hints, and if those hints are heeded a little saving here and there should go a long way towards helping to cut down expenditure and narrow

down the deficit. I hope all Government departments will make "careful spending" the keynote for this budget year. By this I do not mean to convey any feeling of pessimism, but if we can get ourselves accustomed to careful spending and greater austerity we shall not feel so hard hit if ever a trade recession, with the attendant decrease of revenue, should set in.

Furthermore, in view of the considerable relaxation in the financial control which the Secretary of State exercises over Hong Kong, as announced by Your Excellency, who has pointed out that it is a very important and considerable extension of our financial independence, I am sure honourable Members would most willingly share in the responsibilities thereby entailed. For this reason we should support the Honourable Financial Secretary in what he has said on reasonable care in spending, and encourage frugality in the use of public money.

The announcement that consideration is being given to amending the law in order to reduce the Business Registration fee, and to re-define what is meant by a business, is welcomed relief to the owners of small businesses who have for a long time been finding it difficult to make ends meet. This answer to a popular demand should give some satisfaction to this section of the community and will encourage them to make greater efforts to keep their businesses going. I hope this reduction in fee will also result in a reduction in the number of cases of default of payment. I should like to request Government to speed up the necessary legislation, and if it is not ready soon, to allow the new scale of fees to be retrospective as from the beginning of the financial year.

In looking at our local industry I note with considerable concern for Hong Kong the emphasis on and tendency to industrialization in the hitherto non-industrial countries in the South East Asian region. Such development invariably leads to restrictive or even discriminatory measures with a view to protecting the nascent industries. This would of course produce adverse effects on Hong Kong's exports and would call for a more extensive research on market condition overseas as a basis for further production and development of our industries.

In this respect, the fact that the Commerce and Industry Department is to be provided with an additional sum in the neighbourhood of half a million dollars over the expenditure of

last year should enable this department, which has been doing excellent work in connexion with trade promotion and the development of commerce and industry, not only to maintain its high standard of efficiency, but also to strengthen greatly its working power.

Any new important development such as that which I have just mentioned has never been known to have escaped the attention of this Department and I have therefore confidence that in this case ways and means will be, or probably are being, devised to meet this new threat to the Hong Kong export trade.

On the non-governmental side the Chinese Manufacturers' Association of Hong Kong has contributed much towards the development of Hong Kong industry over almost a quarter of a century of its existence. I am sure they will be able to make greater contributions, or to undertake a substantial share in any new venture that will lead to the strengthening of Hong Kong's position in the industrial sphere.

Sir, the proposed European Common Market and Free Trade Area in Europe, which is expected to affect Hong Kong trade, formed the subject for discussion at the First Session of the Committee on Trade of the Economic Commission for Asia and the Far East held in Bangkok early this year, at which I had the honour to represent Hong Kong. The hope was expressed that its formation would strengthen and promote not only the economic co-operation and growth of the six European countries concerned, but also world trade in general. Several countries however expressed concern over the possible repercussions on their trade and economics. As to the possible adverse effect on Hong Kong trade, I echo the sentiments expressed by the Chairman of the Hong Kong General Chamber of Commerce that we count on the United Kingdom Government to safeguard Hong Kong's interests as well as those of the other members of the Commonwealth.

Sir, before I leave this subject of trade and industry I would like once again to mention the important work done by both our London office and our Tokyo office. They have fully justified their continued existence, and the confidence we have in them.

Sir, we cannot help feeling concerned over the critical water situation to which Your Excellency referred in your address. This reminds us again of the ever-existing over-population problem,

which is no doubt the main contributing factor towards this situation. In spite of what has been done on the Tai Lam Chung scheme the situation continues to be critical.

I believe that if we hope to solve this water problem we may have to return sooner or later to the question of conversion of sea water into fresh water. This question was brought up some years ago, but the cost was found to be so prohibitive that further investigation was abandoned. Many years have gone by, and with the passing of time science has made remarkable progress. I understand that a co-operative research project on the desalting of brackish water by electrodialysis is being operated by the national research organization of the Netherlands, and good progress has been made in the development of satisfactory equipment. I also understand that the C.S.I.R.O. (Commonwealth Scientific and Industrial Research Organization) is interested in this new development. I hope it will not be long before less costly plant is designed, which will enable us to bring the matter up again for re-consideration.

Whatever storage facilities we may have, or plan to have, our only source of supply is the rain we get before the dry season sets in; and rain is something over which we have absolutely no control.

I hope Government will follow closely the development of this project, which should be of assistance to us in the future planning of our water supply.

In commenting in my budget address last year on the low cost housing project laid on in North Point at Java Road I was somewhat sceptical over the level of rents which would be charged, and expressed the hope that the final figures would eventually turn out to be in line with the principle of low cost housing. However, I regret to find that the completed project turned out to be less advantageous as far as the assessment of rents is concerned, and many instances have occurred in which the successful applicant has elected not to take up the tenancy offered to him because the rent was considered too high. This tendency may not be overwhelming, but it is enough to serve as a reminder that a thorough re-appraisal of the whole situation is warranted. The low income groups are those who are the most hard hit by the fast disappearing low rental buildings, and we do not like to see these people who have done so much for the development and progress of the Colony suffer unduly the hardship of high rents.

We still have the Cadogan Street and Li Cheng Uk low cost housing projects to be carried out, and I hope it is not too late to urge Government again to take appropriate measures in order to ensure that the rents of the new flats erected can be fixed at such a level as to make them readily accessible to the lower bracket of the low income groups, especially those who are only earning only \$300 or under a month with a family to support.

The provision of additional modern equipment will greatly strengthen the peace and security of this Colony under our efficient Police Force. In complimenting them on their good work I should like to add a word of praise for the Immigration Office whose officers have shown effective co-operation in the promotion of tourism and business travels by the prompt manner in which they have dealt with applications for travelling papers and visas. I should also like to make mention of the Traffic Department for the efficient way in which they have coped with the increasingly difficult traffic problem. However, there were some doubts expressed to me by many car owners over the proposed condemnation of obsolete motor cars. In view of the fact that many serviceable-looking vehicles have been seen to have been "rounded up," a further explanatory statement giving more information on the subject would be welcomed.

Since my honourable Unofficial colleagues have covered very fully every aspect of the administration, and, since I have in many ways duplicated many of them, there is little left for me to say. But before I sit down I would like to dwell on one more subject—a subject which appears to be one of my favourite topics—the promotion of sport.

Hong Kong has participated in the past in the Olympiads, the Empire Games, and the Asian Games, with very satisfactory results. Participation in these major international sports competitions has an important bearing on the prestige of Hong Kong, and the sports leaders of the Colony are most grateful to Government for the practical aids given in the past when their own efforts failed to raise all the funds required, and it is now my privilege to convey to Government on their behalf their sincere thanks, coupling with them their earnest hope that these aids will be continued.

In conclusion, may I assure you, Sir, of the pleasure I have in associating myself wholeheartedly with the sentiments so eloquently expressed by my honourable Senior colleague, and in

claiming the happy privilege of being one of those who are working for the good of the Colony under Your Excellency's leadership.

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

DR. A. M. RODRIGUES: —Your Excellency, a better vote of confidence in the financial administration of Hong Kong could not have been received than that drawn from Your Excellency's announcement that the Secretary of State has seen fit to further relax the financial control which he exercises over the Colony.

Our good financial standing can, in large measure, be attributed to the judicious and brilliant stewardship of my honourable Friend the Financial Secretary, and I congratulate him for this and for another good year.

There was every justification for the purr of satisfaction I detected in his voice, as he delivered his eloquent speech 3 weeks ago, and with a rare smile referred to the many record figures contained in his comprehensive financial review.

There still remains one unbroken record of which we need not feel proud. I doubt whether in any other part of the Commonwealth we would still find a requisitioned building. Once again I take the field with my honourable Friend Mr. Terry on the La Salle pitch. My honourable Friend has opened the attack from the "top" end. The batsman has been bowled neck and crop many times but the Umpire keeps calling "No Ball". All concerned agree the situation is regrettable but do nothing definite about it. I think the Christian Brothers are entitled to know, now, when they can expect to re-enter the college.

Sir, I have constantly lamented the fact that we did not adopt that part of the Abercrombie report which recommended the master-planning technique for the Colony. It was emphasized by Government that changes occur too quickly for such a plan to remain effective, but nevertheless there is evidence all around us that whatever system of planning prevails, it is not achieving great success. In the Causeway Bay and Caroline Hill area for example. There are 5 cinema theatres, 2 sports stadia and other playing fields, not to mention 4 large schools, all within an area of only a few square miles. The effect of this on the traffic in the district (and this includes the main artery of traffic from West

to East) when the stream of soccer and movie fans meet after a popular soccer game and the cinema shows are over, has to be seen to be believed. I am sure an expert on town planning would raise his hands in horror if asked an opinion on this layout.

Over on the Peninsula, we are in the process of getting further advice regarding the siting of the Kowloon Canton Railway Station, a measure proposed by the Abercrombie report. We have often been informed that planning follows on the lines of this report, but on a limited scale. It appears that in this ad hoc selection we have picked the ordinary and left behind the really juicy parts. We have lost ten years on the "railway station" decision. Whatever the final opinion or advice may be regarding the station, I hope a decision will be taken with regard to the development of the area East of Chatham Road, and of the erection of the New Kowloon Post Office.

Under Public Works Head 29 Subheads 91, 92 and 93, I am pleased to note that there is provision for an increase in planning staff with the addition of 1 architect, 1 planning officer and 1 assistant planning officer, besides assistant surveyors and draughtsmen. I suggest that, as an early exercise, these new officers might be allowed to "go to town" on the planning of the area to be vacated by the military authorities as well as the Naval Dockyard area. We may then have the opportunity of viewing the blueprints long before the return of the land in question. With this increase in staff can we expect a stepping up of the town planning programme to extend beyond the immediate urban districts, as well as a speeding up of those plans which have been initiated? While it is true that we should be realistic, we must also be bold, for, after all, time is *not* on our side.

With the mention of time, I must refer to a new system of conveyance which seems to have arisen in some departments. The smooth passage of files on matters which have received approval at the policy stage, seem to suffer a delaying action in transit and the result is that implementation is started late or not at all.

For example: Last year I asked why the school health service extension was delayed. Although I was assured that a working party had this matter in hand, and I attended a meeting of the group, coming away with the impression that everything was set, there does not seem to be any specific provision in the estimates to indicate that the scheme will be started this year.

Another matter in which Government has been dilatory, is that concerning the issuing of health cards to school children with special attention to the keeping of a proper record of inoculations received. My suggestion in 1955 that such cards should be provided was accepted and I had occasion to see specimen copies of the proposed form, but to date the old system exists, and inoculations are given periodically but without any certificates or notes being issued for the information of parents or family physicians, covering such important data as the type and dosage of material used, with the result that sometimes a child may receive a similar inoculation earlier than necessary, or too frequently, especially when having to fulfil travel regulations, not to mention the adverse psychological effect on the child and at times on the parents.

My honourable Colleague Dr. Chau has asked about the fluoridation of water. If there should still be doubt in anyone's mind regarding the value and advisability of this measure I shall refer that person to the most recent report by the World Health Organization Expert Committee on Water Fluoridation which met in Geneva at the end of August 1957. This Committee studied the reports of controlled fluoridation programmes from 17 countries and these reports totalled some hundreds. Some of these programmes have been in progress for more than 12 years.

As Hong Kong is a member of W.H.O. the report published in September 1957 will probably be available in the Medical Department, but I would like to let honourable Members have the salient points in this report.

In effectiveness, the prevalence of dental *caries* in the permanent teeth of children was reported to have decreased some 60%, and in the foundation teeth from 50—60%.

It is interesting to note that the Committee stated that it is aware that there is still controversy, but is of the opinion that opposition has, and here I quote: "in some cases been based on tests under quite different experimental conditions and in others ambiguous descriptions or illogical interpretations can be blamed".

In studying the possible alternatives, the Committee states that there is no alternative to the fluoridation of water. Topical application to the teeth can be done professionally, but the time required makes it too costly as a public measure. They came to

the conclusion that and here I quote again: "the effectiveness, safety and practicability of fluoridation as a means of preventing dental *caries*, one of the most prevalent and widespread diseases in the world, is now established". So why the delay here in Hong Kong?

It appears that there is more than the usual red tape binding the government files concerned, preventing their smooth passage between departments.

Among the items of expenditure that show a substantial increase, Education stands among the highest with an increase of \$6½ million over last year's figure. It is an expense that even the most rigid critic will find difficult to question, and we must applaud the fact that the education programme is progressing favourably and within schedule, but like everything else in tills Colony, unless planning is on a wide scale, problems arise and we have one in the case of education. The constant and rapid increase in numbers of primary pupils and the increase in secondary pupils (though to a lesser degree and at a reduced tempo), have led to a natural increase in the demand for higher education, but there does not appear to be sufficient places at this level. The result is that the pyramid formation of the education structure in this Colony is suffering a severe distortion at and near the apex. Many have to seek their higher education abroad, and their numbers are such that it is obvious that the higher education facilities in the Colony are inadequate, both in the type and the amount of facilities provided.

Places in higher education institutions abroad will gradually be more difficult to find, as they in turn find the demand exceeding the supply, and the present outlet for Hong Kong students seeking higher studies will be narrowed down.

We also have to consider the disadvantage in the loss to the Colony of the Local Boy who gains academic distinction, and whose outstanding ability is quickly recognized in the offer of positions abroad and on such attractive terms that he would be foolish not to accept.

Recently there has been much justifiable criticism by the public and a spate of correspondence regarding this need for places at the higher education level have appeared in the newspapers.

What is the answer? Some have advocated the formation of another University. Surely this is not the solution. Rather, should we not 'exploit' to the full all the existing institutions to meet the demand? Reference has already been made to the post-secondary colleges. I shall refer to our University. The University is not saturated in the academic sense, but is restricted in the financial sense from achieving its full objective, which is to provide education at full University level for the number that Government, as arbiter of the Colony's needs, thinks desirable. It is in the hands of this Council to see that this objective is attained.

My honourable Colleague has stated the case for a Hong Kong Dental School and I fully support him in this, as I consider it one of the Colony's urgent needs. We are spending considerable sums in sending students abroad for dental studies, without the definite assurance that they may return to us, although we are safeguarded by contract against financial loss, should this occur. It will also provide for more places at the Higher Education level.

Under Head 18, subhead 8 there is provision for 8 specialists in the Medical Department. I am happy to learn that at least 7 of these are local appointees and some are even now pursuing further specialist training in the U.K. I hope others will follow the example, as it is my impression that in some departments sufficient encouragement is not given to the local boy.

Sporting competitions between countries are recognized as good *media* for understanding and goodwill. They also serve to evoke genuine interest between the participants in each others country. We should therefore give every encouragement and support to those who carry the Hong Kong flag abroad in official I y-recognized competitions, for they may help indirectly to increase our "invisible profits", a "commodity" which will assume major importance to Hong Kong in the future.

Sir, we face a year of "uncertainty". The business world is cast in gloom, the attacks on our exports continue unabated, our costs continue to soar, but under Your Excellency's wise guidance I am confident that when the year is out, Hong Kong will still remain, as a writer once described, "one of the most prosperous haven of freedom in the Far East". (*Applause*).

MR. J. D. CLAGUE: —Your Excellency, my predecessor, the Honourable Cedric Blaker, in his recently published statement and speech as Chairman of the Hong Kong General Chamber of Commerce, commented on many points of Government policy which are of especial interest to the commercial community. I do not feel justified in view of the hours in reiterating all these points today and I think it will suffice if I place on record the fact that I concur with the views Mr. Blaker expressed.

I feel, however, I would be failing in my duty if I did not record the regret of a large section of the commercial community that the plans for the second cross harbour vehicular ferry and the air terminal do not appear to have been finalized in spite of the long time they have been under "active consideration". I wholeheartedly support the views expressed by my honourable Friend, Mr. M. W. Lo on the air terminal.

Equally I feel I must comment on the ever increasing pressure from Lancashire for the restriction of our textile exports to the United Kingdom to which Your Excellency referred in your review. Your Excellency expressed the hope that this particular storm might "blow over" but in the short time since you spoke the storm clouds have intensified and in fact a veritable typhoon has developed. The centre of the storm appears to have shifted from Rochdale to Hong Kong with remarkable speed and what is more remarkable without apparently losing any of its intensity! It seems regrettable that we are unable to persuade Lancashire to treat Hong Kong's case on its merits and not to cloud the issue by bracketing us with India and Pakistan whose cases are quite different. Nevertheless, we welcome the personal visit of Sir Frank Lee, whose fine reputation as an administrator and negotiator has preceded him, because whatever the outcome of the present discussions it will at least give us an opportunity of acquainting him at first hand with our views and I am sure we will have the satisfaction of knowing that we have in him a sympathetic friend at Whitehall. The question is whether we have sufficient sympathetic friends and in this connexion, having regard to the frequent misrepresentations to which the Colony and its industries are subjected, would it not be worthwhile considering inviting an official Parliamentary Mission to visit Hong Kong? By tradition these Missions are fully representative of all shades of political opinion, and I am given to understand that similar visits to other parts of the Commonwealth have been most successful.

One of our major difficulties in the past has been to obtain a fair hearing abroad whether the subject be military lands, requisitioned properties, textiles, embargo on China, refugees, or the proposed European Free Trade Area. Quite a number of Members of Parliament have visited the Colony, but almost invariably they have been in transit and have not stayed long enough to obtain a full appreciation of the magnitude of the problems with which the Hong Kong administration is faced, or of discussing them with local residents. I hope that this suggestion may meet with support and when the time is a considered ripe, perhaps the Senior Unofficial Members of Council will see fit to take the necessary steps.

One further suggestion is that Government should set up committee to consider whether it is desirable to establish a local Development Corporation to act as a bridge between Government and private enterprise. The Corporation would employ such professional staff as is necessary but be controlled by a Voluntary Board, the majority of whose members would be drawn from the leading professional and business men in the Colony sitting together with Senior Government Officials. The Corporation to be provided with loan capital by Government, and if they are willing the Banks and Insurance Companies might participate. Funds might also conceivably come from one of the Colonial Development Agencies.

It is impossible to say exactly how much money the Development Corporation might require. In the initial stages obviously it would not be great as our experience with the much maligned Housing Authority has shown it takes quite a long time for these organizations to begin operating fully. In any event the amount of the funds at the disposal of the Corporation would be dependent, firstly on the demand, and secondly on the state of Government funds in general. Obviously in a period of depression Government might see fit to allocate a larger amount than they would when everything is going well—the main thing is to get the machinery established. The object of the Corporation would be to provide on reasonable terms, medium or long term capital, on a secured basis for any enterprise which will further the best interests of the Colony as a whole, such capital not being readily available from other sources on reasonable terms.

Whilst our Banks are able and willing to provide the short term capital necessary to finance our trade, Hong Kong industrialists in particular, have great difficulty in obtaining all the

capital they need at reasonable rates of interest. In other parts of the world it is possible to rent factories on reasonable terms over a long period thus enabling the industries to put all their resources into machinery and working capital.

In Hong Kong our greatest asset is the ingenuity of our people and their capacity for hard work. Honourable Members have in the past drawn attention to the fact that new forms of employment will have to be found for our over increasing population, and my honourable Friend, Mr. Ruttonjee, has today made some concrete suggestions in this connexion. I suggest, Your Excellency, that any resources which can be channelled into increasing productivity and employment will be well spent and the indirect benefits to everyone will be immense.

Again Your Excellency dealt with the problem of Housing at length and whilst I wholeheartedly support Government's efforts in providing State Assisted Housing, you, Sir, have made it clear that private enterprise will also have to play its part as Government cannot be expected to provide all the housing required. I suggest therefore that the new corporation should be charged with the duty of assisting and encouraging private enterprise to build by the provision of capital where necessary by way of secured mortgages. I believe the need for this kind of assistance will become more apparent when the time comes to open up the new areas envisaged in the New Territories, and it seems to me highly desirable that we should have ready and available the machinery to "prime the pump". Equally when the problems involved in Slum Clearance come to be considered in detail the need for an unofficial body able to provide funds may well arise. It may be decided that a separate organization should be set up to assist private enterprise and individuals in relation to housing and another for industrial development, but this is a matter of detail and can be decided at a later date.

Your Excellency referred to the large flatted factory which had been constructed at Cheung Sha Wan. If this proves successful, as seems likely, Government may decide that a similar scheme for non squatters is desirable, if for no other reason, than as a means of ensuring that the land available to us is put to the best possible use. If so it is probable that Government will wish to employ a non-profit making agency to handle the operation for them and here again the Development Corporation I am suggesting might be asked to undertake the work involved. I know such

a move will be greatly appreciated by the small manufacturers who have done so much to help the Colony's exports during the last five years, and it would also result in our workers operating under much more favourable- conditions than they have been in tenement blocks and the like.

It is common knowledge that much of the recent building boom has been financed in a manner which may not be repeated, in which case a slowing down in private enterprise's contribution to the housing shortage may occur. Equally our trading difficulties do not grow any less, and our exports to one market after another are either being shut out or restricted, whilst the whole time our population increases. As the Chairman of the Hongkong and Shanghai Banking Corporation commented in his recent statement "we have been fortunate in recent years in the inflow of capital, much of which has built up new industries, but it would be unwise to rely on this continuing indefinitely". The Chairman went on to state "that a more positive approach by Government might be necessary to fill the gap" and warned us against complacency, advising us to consider some preliminary planning in order to avoid being taken unawares. This clear warning, together with the specific points I have raised will, I hope, be sufficient to show that there is a case for the setting up of some form of Development Corporation at an early date.

Sir, I would like to pay a tribute to the work of the Department of Commerce & Industry and associate myself with the complimentary remarks made by the honourable Friend, Mr. Kwok Chan, in regard to the Tokyo and London offices.

Before I close, may I offer my Friend the Honourable Financial Secretary, my congratulations on his Budget. I regret, Sir, I do not have the temerity to take up his challenge and suggest a reduction in existing taxation, but I am glad that for his part he did not have the temerity to suggest any increases, and I trust it will be a very long time before he does.

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.

UNIVERSITY BILL, 1958.

THE COLONIAL SECRETARY moved the First reading of a Bill intituled "An Ordinance to repeal and replace the University Ordinance, Chapter 319".

He said: Sir, as honourable Members may recall, in the Jennings—Logan Report of 1953, a whole chapter was devoted to the constitution of the University, and the authors in fact suggested a complete review of the University Ordinance and the Statutes. As a result the University Council appointed a Constitution and Administration Committee under the chairmanship of Sir Man Kam Lo, and the object of this Committee was to examine the recommendations of Sir Ivor Jennings and Dr. Logan. The other members of the Committee were the Vice-Chancellor and the academic members of the University Council.

The Committee found itself in general agreement with Sir Ivor and Dr. Logan but they made different recommendations on a few very important matters, mainly concerning the membership of the various bodies concerned with the governance of the University.

The recommendations of the Committee were fully discussed within the University and the present Bill, which was with the permission of my learned friend, prepared in the Legal Department, was submitted to and approved by the Court of the University. Draft statutes were also prepared and these were also approved by the Court and they are now attached as a Schedule to the present Bill.

One of the chief objects of this Bill is to confer upon the University a greater degree of autonomy in the management of its affairs. As Sir Man Kam Lo said in the speech with which he introduced the Bill to the Court of the University "it is the best expression that can be achieved of the corporate wish of the University for a new instrument of government. It is the fruit of nearly four years of consideration and discussion".

The principal changes proposed are described of course in the Objects and Reasons. Clause 14 of the Bill would empower the Chancellor to add to, amend or repeal any of the University's Statutes, as recommended by the Court, without submitting such matters to the Governor in Council for approval. The Bill also provides for increased powers for the Council and the Senate and for a reduction in the powers of the Court.

The Chancellor, Vice-Chancellor and Treasurer and present life members of the Court would continue to be members, but the following persons would cease to be members *ex officio*: —

the Chief Justice,
the Members of Executive and Legislative Councils,
the Director of Public Works,
the Director of Medical & Health Services, and
the Director of Education.

These members and the thirty-four members at present appointed by the Governor would be replaced by: —

- (a) 5 members elected by the Unofficial members of this Council from among their own number;
- (b) between 5 and 10 members elected by the Convocation of the University from their own number;
- (c) 5 members elected by the Court;
- (d) 3 members elected by the Grant Schools' Council; and
- (e) not more than 20 other members appointed by Your Excellency in your capacity as Chancellor.

In addition the members of the Council, and of the Senate together with the Registrar of the University would be members of the new Court.

Clause 10 of the Bill is of particular interest. It provides for the creation for the first time of a Convocation of the University which would be an official body of graduates; and as I have mentioned would elect certain of its members to the Court.

In normal circumstances a bill to amend the University Ordinance would probably be put forward by the University as a private bill. It was felt, however, that the present Bill, which goes a good deal further than mere minor amendments, should, in view of its importance to the Colony as a whole, be introduced into this Council as a Government measure. The Bill has, as I have said, been prepared in the Legal Department, but it is incumbent upon me to pay a very warm tribute to the major part played by Sir Man Kam Lo, personally, and the members of his Committee in the preparation of the Bill and Statutes.

Sir, this Bill, as I have said, represents a further clear stage in the development of the University. I am sure that it would be your wish, and the wish of this Council, that I should take this opportunity of publicly congratulating the University on its new status and that I should express our confidence that this new authority with which it will shortly be invested will be exercised not only with wisdom, but also with sagacity.

For the academic groves are no longer protected from the bleak winds of economic necessity. Endowments and benefactions are no longer sufficient, and a modern university must turn more and more to the State. And the Government is, in a sense, itself no more than the trustee of the funds at its disposal. It is inevitable that in this complex situation a university cannot preserve quite the same degree of independence as, for example, in Cardinal Newman's day. And this may for some be a cause of regret. But in other ways the new situation has its advantages. The modern university, dependent as it is on State funds, becomes more intimately associated with the community which it serves, and with the planning and direction of the communal effort.

This calls for special qualities in university administration. The wisdom of the sage is no longer enough. If the modern university is to flourish—or even survive—its administrators must in addition be endowed with the estuteness of the financier and the realism of the man of business.

It is against a background of these hard realities that our University takes a further step forward towards autonomy. It does so with the confidence and assurance of a mellow 47 year-old; an age when the flexibility of youth can still quicken the maturity of the middle years.

Sir, I have greatly valued and enjoyed my association with the University of Hong Kong as an intermittent member of its Council, and I am very much honoured that it should be at my hand that this new charter of confidence in the University is presented to this Honourable Council.

THE ATTORNEY GENERAL 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 repeal and replace the present University Ordinance.

2. In 1953 Sir Ivor Jennings and Dr. D. W. Logan were invited to examine and make recommendations on the constitution, function and financial requirements of the University. One criticism in their report was that the Hong Kong Government played a greater part in the management of the University and in the moulding of policy than would have been approved in England, Ceylon or Malaya, and they maintained that after forty years the University had a status in the republic of learning which would enable it to act as a focus of culture more efficiently than could be done by governmental direction.

3. Therefore, one of the chief objects of this Bill is to confer upon the University a greater degree of autonomy. Thus clause 14 of the Bill now gives power to the Chancellor to make additions to or amendments or repeals of any of the University Statutes recommended by the Court, as proposed to the Court by the Council, without submitting such additions, amendments or repeals to the Governor in Council for approval. The composition of the Court has been changed. The only *ex officio* members are now the members of the Council, the members of the Senate and the Registrar. Also the powers of the Court have been reduced whereas those of the Council and the Senate have been increased. The Court now has definite functions which do not conflict with the powers of the Council and the Senate. The new Statute III lays down that honorary degrees may be conferred by the Chancellor on the recommendation of the Council as advised by the Honorary Degrees Committee, whereas as the Statute now stands such degrees may be conferred by the Chancellor on the recommendation of the Honorary Degrees Committee and as the Court thinks fit. The new Statute XX gives power to the Council to appoint a Finance Committee composed of such persons as the Council shall decide. Under the old Statutes definite persons were nominated as members of a Finance Committee.

4. The Senate now regulates all matters relating to education in the University subject only to the financial control of the Council.

5. Clause 13(1) of the Bill creates the new office of Pro-Vice-Chancellor, and Statute VI lays down that he shall be appointed by the Council from among the professors of the University and that in the absence of the Vice-Chancellor he may act as Vice-Chancellor.

6. Clause 10 of the Bill creates a Convocation of the University. This new body will be the official body of graduates of the University and as such will be represented in the University Court by not less than five and not more than ten of its number elected by Convocation. Members of Convocation will also include the Chancellor, the Vice-Chancellor and other members of the University staff, and in this way will be a forum in which staff and graduates can find and express common aims for the good of the University, and within which they may exert some constitutional influence on policy through representation in the Court.

WORKMEN'S COMPENSATION (AMENDMENT) BILL, 1958.

MR. P. C. M. SEDGWICK moved the Second reading of a Bill intituled "An Ordinance to amend the Workmen's Compensation Ordinance, 1953".

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Second time.

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

Clauses 1 to 7 were agreed to.

Council then resumed.

MR. P. C. M. SEDGWICK reported that the Workmen's Compensation (Amendment) Bill, 1958 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 for today, Gentlemen. Council stands adjourned until 2nd April.