

**OFFICIAL REPORT OF PROCEEDINGS.****Meeting of 2nd April, 1958.**

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**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 26th March, 1958, were confirmed.

**PAPERS.**

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

<i>Subject.</i>	<i>G.N. No.</i>
Hong Kong Airport (Control of Obstructions) Ordinance, 1957.	
Hong Kong Airport (Control of Obstructions) (Lighting) Order, 1958 .....	A. 20.
Workmen's Compensation Ordinance, 1953.	
Workmen's Compensation (Exception of Agricultural Workers) Order, 1958 .....	A. 21.

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

Resumption of debate on the motion for adoption of the Report of the  
Select Committee.

MR. C. G. M. MORRISON: —Your Excellency, during the course of last Wednesday's debate, several references were made to housing and the activities of the Housing Authority, in particular by my honourable Friends Dr. the Honourable S. N. Chau, the Honourable Ngan Shing-Kwan and the Honourable Kwok Chan. Although I have but lately come to deal with these matters, I will do my best to answer the points raised.

My honourable Friend Dr. S. N. Chau inquired whether the Authority has been slow in spending the \$80 million which have so far been allocated to it. The Authority has been proceeding cautiously in the initial stages, but as things are, it is likely that the Cadogan Street scheme will be completed this year and the So Uk scheme next year. With the experience gained so far we hope that future schemes will be brought to completion much more quickly than the present ones.

A public statement on the vacant flats at Java Road was issued by my predecessor on the 1st February.

Very briefly it appears to have been the case that certain families in the income group \$300—\$900 per month were unwilling or unable to afford one fifth of their income for rent and this applied in particular to the large 8 person flats, which are necessarily the most expensive. The Special List for the higher income group \$900—\$1,400 per month refers only to the largest flats and was only opened after very careful consideration by the Authority.

Members of the Authority are fully conscious of the need to provide accommodation at cheaper rents than the flats at North Point. Rents for any particular scheme cannot be finally worked out until the exact cost of the scheme is known but it appears that rents at Cadogan Street will be cheaper by as much as 20% than those at Java Road. In regard to So Uk every endeavour is being made to keep down initial cost of the structures.

There is, however, a very definite limit to what can be done as the rents of any particular scheme are determined by the cost of building, the standard of accommodation afforded and the terms of the land and capital loans made available. All factors are carefully considered and in this connexion I would particularly invite the attention of honourable Members to the creation in the present Estimates of the nucleus of an architectural section in the Housing Division of the Urban Services Department.

Economies in building costs are not the only means of lowering rents but if accommodation is to be provided for families with incomes of under \$300 per month, as suggested by my honourable Friend Mr. Ngan Shing-Kwan, it will almost certainly be necessary to lower the standard of 35 sq. ft. of habitable floor space, and 350 cu. ft. of clear internal air space per person which has hitherto been maintained by the Authority in conformity with existing legislation.

I should like to take this opportunity of assuring honourable Members that the members of the Housing Authority are themselves constantly concerned with and anxious to improve the speed of their operations, the lowering of rents and the widening of their activities to cater for a larger section of the community.

Finally, Sir, it has been suggested that a re-appraisal of the whole situation may be warranted. In this connexion, I should like to remind honourable Members that all these matters are at present under close review by the Special Committee on Housing. These are difficult and complex matters and Members of the Committee have been awaiting the report on the Housing Survey, which they recommended a year ago and which was carried out by the Hong Kong University during 1957. That report has now been received and is under careful consideration by Members of the Committee, who hope to be able to render their final recommendations to Government in the near future.

DR. D. J. M. MACKENZIE: —Your Excellency, the Honourable the Senior Unofficial Member has referred to the two problems of tuberculosis control, and the treatment of cancer. Referring to tuberculosis my honourable Friend has asked that consideration should be given to the establishment of secondary clinics from which simple routine treatment can be maintained.

On this occasion last year my predecessor Dr. the Honourable K. C. Yeo gave a comprehensive account of the organization and development of the tuberculosis service. Therefore I will confine myself to a few brief references to the work of 1957 with particular reference to clinic facilities, existing or proposed.

The Shek Kip Mei Clinic is now in full operation since 10th March and there are thus three major diagnostic and treatment centres available, one in Hong Kong and two in Kowloon. During 1957, 55,322 patients were seen at two of these three clinics; they accounted for 574,408 attendances and 160,690 X-Ray examinations were carried out by the relevant radiological sections. During the year the number of active cases under treatment as outpatients rose to over 14,000. Existing clinic facilities will permit of up to 180 new cases of tuberculosis each day being accepted for ambulatory treatment.

Secondary clinics are in operation at Cheung Chau, Lamma, Silvermine Bay, Ping Chau, Aberdeen and Stanley—all served from the Wanchai Chest Clinic. On the mainland the mobile X-Ray unit and staff from the Kowloon Chest Clinic visit regularly Tai Po, Yuen Long, Tsuen Wan, Sheung Shui and Sai Kung.

During this financial year the new Sai Ying Pun polyclinic should be completed; a polyclinic for Yaumati is also being planned. When these two new buildings materialize there will not be any populous urban area which is more than 3 miles from a specialist tuberculosis clinic. When we have all these major strategic centres completed and established, the location of further secondary clinics can be more precisely determined for the densely populated urban areas. Meantime I can assure my honourable Friend that the tuberculosis service with existing staff and facilities can take many more patients each day if they present themselves at, or are sent to, these clinics for treatment.

Honourable Members will be interested to know that 45% of all babies born in the Colony during 1957 received B.C.G. protection. This is an encouraging advance particularly when taken in conjunction with the other control measures. However I fully endorse and support the Honourable the Senior Unofficial Member's comments on the dangers of complacency and the necessity for vigilance.

To turn to the treatment of cancer, there has been apprehension recently regarding the length of time it has been necessary for patients to wait before treatment can be given. I am glad to say that the recent installation of an additional conventional deep therapy unit in the Queen Mary Hospital has enabled treatment to be speeded up and the turnover of patients increased. Waiting time is now short and not of serious significance.

It is fortunate that the commoner cancers seen in the Colony are sensitive to and suitable for radio-therapy. Therefore it is considered essential to have the most modern equipment possible for the treatment of cancer in the New Kowloon Hospital. The Honourable the Senior Unofficial Member has referred in his speech to the installation of linear accelerators and the necessity to train a physicist engineer with this end in view.

It is proposed that a young physicist who has shown an interest in and aptitude for electronics is being sent to the United Kingdom later this year for a course of instruction and training. He would return to Hong Kong in time to work with the engineers who will be responsible for the installation of the radiotherapy equipment in the new Hospital. In this way he should

obtain a thorough and practical experience in maintenance and repair, thus ensuring the maximum utilization of valuable and vitally important equipment.

The Honourable M. W. Lo has asked for a detailed statement of the use of Government Hospitals by Government servants and their dependants. He also suggested that some clarification of the role of the Queen Mary Hospital might be given.

The Queen Mary Hospital is a Government Hospital maintained and administered by Government. At the same time it is the Teaching Hospital of the University and certain services are provided by the staff of the Medical Faculty of the University. The wards and certain other hospital facilities are available for the clinical teaching of medical students.

Both the Queen Mary and the Kowloon Hospitals are "acute" hospitals; that is, they cater as far as possible for those patients who need treatment urgently and who do not tend to require long periods in Hospital.

The ultimate criterion of admission to the general wards of either of these hospitals is the medical need of the patient. The source of origin of the patient or the source of the patient's employment do not enter into the picture. When the contractual obligations of Government may give a Government servant an advantage over others is when the admission is an "elective" one. In other words when there may be beds to spare, patients may be taken in for courses of treatment which were not urgent and which could wait, without detriment to the patient, until the opportunity arose. Also in Kowloon Hospital Government servants to have an advantage in so far as the admission of maternity cases is concerned. However I can assure my honourable Friend that no abnormal case is ever turned away or refused admission.

The statement for which my honourable Friend has asked is as follows. These figures if I might quote them, relate to the calendar year 1957.

	<i>Members of General Public.</i>	<i>Government Servants &amp; their Dependants.</i>
Queen Mary Hospital .....	10,658	2,538
Kowloon General .....	6,451	1,193
Kowloon Hospital Maternity Section .....	925	1,891
Tsan Yuk Hospital .....	10,297	569
Cheung Chau .....	1,767	49
Sai Ying Pun .....	1,382	178
Lai Chi Kok .....	3,952	335

Members will note that while the Queen Mary and Kowloon Hospitals show the highest proportion of Government servants and their dependants, the percentage of the total admissions is not over 20%. The New Kowloon Hospital is estimated to provide accommodation for an additional 20,000 cases each year; taking a high average of 15% in respect of Government servants, there will still be accommodation each year for at least 17,000 members of the general public. When this is considered in conjunction with the developments proposed at the Kwong Wah Hospital I believe that it does make a significant contribution towards bridging the gap between existing facilities and the needs of the general public.

The Honourable Dr. Rodrigues has expressed his concern regarding the system of recording inoculations given to school children. In May 1955 the Honourable the Director of Education made arrangements to issue individual immunization record cards for pupils of Government Primary Schools in Primary Class I. These cards are still in use in the Government Primary Schools and in the form to which my honourable Friend refers. As recently as May of last year the Medical Department requested the printing of a further 15,000 cards. These cards are kept at the schools and are necessarily in the custody of the Head Masters' office.

With regard to other schools in the Colony there are individual records—kept in the school—of all diphtheria and typhoid immunizations carried out by the School Health Service. These records take the form of consent cards which must be completed

by the parent or guardian before the appropriate inoculation can be given. They are retained by the school for a period of up to five years.

The main difficulty is inferred to be the lack of information to parents or family doctors regarding inoculation procedures. This is a matter which might be dealt with best by administrative action. If my honourable Friend will provide me with some illustrative examples I shall be glad to go fully into the difficulties with him.

Finally Sir, I should like to express to honourable Members my gratitude for the interest they take in the workings of the Medical Department and my appreciation of their constructive criticisms and interested support.

MR. A. INGLIS: —Your Excellency, a number of honourable Members last week expressed concern over the water supply problem following my honourable Friend the Financial Secretary's able exposition on that subject on 6th March. The problem is serious and has not been over-stressed. It is likely to remain with us for many years and will involve heavy expenditure.

The Honourable Financial Secretary has stated that "We shall have to start thinking very seriously about finding other sources of water supply in the immediate future" and that "the matter must be regarded as one of urgency".

I should like to relieve honourable Members from too much alarm and despondency in the matter however and I will explain in brief outline what is being done.

We have hopes that the experimental work at Shek Pik will be successful and that this project will provide additional storage of just over 4,000 million gallons but we are not counting on it or considering it in any way the final answer.

Already we are investigating the possibility of converting certain sea inlets into fresh water lakes and if one such project should prove feasible we could have more than three times our present storage; a very satisfactory position. It is far too early, however, to say if these schemes are feasible.

My honourable Friends Messrs. C. E. M. Terry and Kwok Chan drew attention to recent research and development in converting salt water, sea water, or brackish water into fresh water. I am most grateful for the interest they have shown because a few years ago, as honourable Members are aware, such schemes were not economical propositions. Modern techniques, however, have advanced so rapidly that demineralization of salt water is already a practicability, given certain circumstances.

Some months ago we asked the Crown Agents to obtain for us quotations for equipment to produce about 20 million gallons per day from sea water. Three British firms and four American firms were approached and requested to put forward schemes. Two British firms have submitted draft schemes including rough estimates of capital expenditure and running costs and one of these firms is included in the group advertised in the Times Weekly Review, to which the Honourable C. E. M. Terry has kindly drawn attention. The proposals, however, are for equipment which can be operated economically only in association with another process which would utilize, and pay for, the large quantity of surplus heat produced. An inquiry was sent recently through the Crown Agents to two Swiss firms for alternative schemes which, it is hoped, can operate economically without association with the other processes. Their suggestions are awaited with interest and I may add as a matter of further interest, that it would seem that Hong Kong's demands far exceed the biggest plant so far contemplated using these various distillation processes.

The Honourable Kwok Chan referred to another method for dealing with brackish water by electrodialysis. This is a recently developed operation commonly known as the membrane process which exploits the electrical characteristics of mineral saline water. There are some very small plants in operation in other countries and the first British commercial pilot plant was erected as recently as 1957, its capacity being just over 2,000 gallons per day. I do not hold very high hopes that this method will apply to conditions in the Colony but we will not lose sight of further developments. We keep in touch also with the Commonwealth Scientific and Industrial Research Organization who have their Headquarters in Melbourne, Australia.

In short, I can assure honourable Members that the Government is energetically investigating all possible means of converting sea water into fresh water including the employment of atomic power to this end.

The Honourable Ngan Shing-Kwan referred to salt water for flushing. He is quite correct in saying that it is becoming increasingly difficult to obtain well water and that this leads to the use of mains water for flushing. The present scheme, to which the honourable Member referred, is the forerunner of several more which are now being planned and which will be carried out if the present scheme proves successful.

My honourable Friend also raised the question of roads maintenance and construction. This is a problem which I think is nearly as serious as that of water. It is however a headache which we share with almost every major city in the world and the older the city the worse the headache. In Hong Kong the difficulties are aggravated by many factors which we do not share and they are of every conceivable variety ranging from simple facts to the staggering cost of dealing with even small sections of the system. My honourable Friend mentioned the inadequacy of the roundabout at Causeway Bay; that is granted of course, it was foreseen, but almost inevitable, where tram-cars run through the middle. I can only assure my honourable Friend that we are alive to the situation, there is no easy solution—short of a magic wand—but experts are studying it and we are also seeking assistance and guidance from experts from the United Kingdom.

I was discussing road problems recently with a leading Civil Engineer from Germany and I remarked on their being lucky in having the 'autobahns'. His somewhat startling reply was that the autobahns are "already far too narrow".

If our roads problem is to be tackled with real vision then some real money will be required to support it—I make no promises.

Certain honourable Members, in particular the Honourable Dr. A. M. Rodrigues referred to Planning in its broadest sense and to Town Planning. The planning and town planning as it affects the Public Works Department is on a smaller scale than

honourable Members may be aware. Town Planning for example, hinges on one officer, who, efficient and capable as he is, should have had assistance long ago. We have provision in the estimates under debate for strengthening this branch but it may take some time to recruit the officers and it may be even longer before the effect is felt. The Honourable Colonial Secretary summed up the whole situation last year very adequately. One sentence of his put the case in a nut-shell—"Planning and speedy action are uneasy yoke-fellows". I endorse these remarks with feeling. Whereas planning normally precedes action we are too often forced by circumstances into action first.

In conclusion, Sir, may I say that the New Works Programme as detailed in this Budget is regarded as a challenge. We shall do our best to meet it.

THE ATTORNEY GENERAL:—Your Excellency, last week my honourable Friend Mr. NI. W. LO spoke of the toll of the roads, and argued that in many cases traffic offenders are too lightly dealt with. He also, if I understood him aright, said that he had detected a reluctance to convict of the offence of dangerous driving, and went on to suggest four matters for the more effective enforcement of the law. I will deal shortly with these.

First, he suggested that a special traffic court be set up. I should like to point out that this is, in effect, the case at present because both in Hong Kong and Kowloon a particular magistrate deals with traffic cases. My friend then went on to suggest that in cases of dangerous driving the magistrate should be assisted by an assessor. Speaking for myself I am not in favour of this. The courts throughout the Commonwealth have been able to resolve cases of dangerous driving without the assistance of an expert assessor, and I see no reason why the position should be any different in Hong Kong. Furthermore, if we once introduce assessors for cases of dangerous driving, may we not be opening the door to claims that we should have assessors in other cases coming before the magistrates? It seems to me that if a case is properly presented, there is no reason to suppose that any person of common sense and sound judgment should not be able to resolve the issue as to whether the offence of dangerous driving has been proved. As regards the presentation of these cases, the Police have been informed that Crown Counsel are available to prosecute where a case is not straightforward. As regards my

friend's last suggestion that a conviction for dangerous driving should be followed by automatic suspension of the offender's licence, I have never liked minimum penalties and I think it is much to be preferred that the courts should have a discretion. I agree however, that suspension of an offender's licence is a most effective punishment and one would hope that the courts will not hesitate to inflict it in suitable cases.

In conclusion, Sir I would say that now that this matter has been aired, my department will keep an eye on the more serious motoring offences, and, as I have said, will where necessary appear to present the case for the prosecution.

THE FINANCIAL SECRETARY: —Sir, I have listened to the speeches that have been made in the course of this debate and I have found much of very great interest. But I must say that I listened in vain for any reference to what I consider is a very important point in the Report of the Select Committee, the subject of the motion before Council, that is, that the estimated deficit for the forthcoming year is, as a result of the Select Committee's recommendations, now increased from \$87½ millions to \$94 millions. It would, Sir, almost seem that this increase of \$6½ millions is a matter so insignificant as to be unworthy of attention. I do feel that a deficit of this magnitude, with all the talk about a recession and about declining trade, is not a light matter.

There are a few points which have been raised in the course of the debate which touch on my sphere, and I shall try to be as brief as possible in dealing with them.

My honourable Friend Mr. Lo raised some far-reaching questions in his remarks about the Jockey Club. While it is probably true to say that the Jockey Club, in effect, has acquired a monopoly on what I might describe as legalized gambling in the Colony, I do not agree that this monopoly has been abused. And I personally would be very sorry indeed to see Government lotteries established in Hong Kong.

It is incorrect to say that Government is a suppliant for grants from the Jockey Club. On the contrary, the practice is for the Jockey Club to approach Government periodically, to inform us that the club has available for distribution certain sums of money, and to ask us what projects we would wish to have

paid for by them. Generally speaking there is little difficulty about agreement. In fact, the stage has now been reached where the Jockey Club not only provides the money, but does the work, so easing the strain on our architectural and engineering staff. That in itself is a most valuable contribution.

Several Members have touched on the question of the proposed new airport terminal and of the inadequacy of the existing terminal building. I am very glad Sir, that none of them tried to advance the argument that something must be done because visitors receive a bad impression of the Colony on seeing the state of affairs at the airport. From what I myself have seen I agree that facilities in the present building are inadequate, and I agree that funds might be provided to improve facilities on a temporary basis whilst we await construction of the new building.

I have much sympathy with my honourable Friend Mr. Terry on the question of Government offices in Kowloon. I have the honour to sit with him on the Public Works Sub-Committee and I share his regret that a higher degree of priority has not been given to Government offices and to a new Post Office on the other side of the harbour, even if only because it would probably be cheaper to build our own offices than to go on renting office space as we are now doing. The difficulty is that we have so many projects competing with each other for priority, and for the available funds; and there is always the lack of architectural and engineering staff to deal with the vast number of public works that we have in hand. The question of site is another problem, because the Postmaster General has always been insistent on a waterfront site for his post office so that the receipt and despatch of mails by sea may be facilitated. It may even be necessary to provide for one block of Government offices in some central location and for a post office on the sea front, but no planning has yet been possible.

My honourable Friend Mr. Kwok congratulated Government on its decision to amend the law relating to business registration and asked that the necessary legislation should be speeded up. We are now in process of drafting the new legislation, but I am afraid I am most reluctant to give any instructions to speed the process up. The existing legislation as I have said has been thoroughly unsatisfactory, and I am convinced that it is unsatisfactory because it was rushed. I am most anxious that the

new legislation shall work, and a rush job is rarely satisfactory. Retrospective legislation, such as was asked for, has been the subject of criticism in this Council in the past, but consideration will be given to the suggestion that the new scale of fees shall be applied as from the beginning of the financial year. I am not sure if this will be practicable.

A good deal of attention was devoted in the debate to the economic future of the Colony, to the future place of industry in that economy and to the necessity for looking ahead. I have, Sir, been thinking a good deal about this during the past week and I would like to refer honourable Members back to the budget debate of 1955 when I spoke at some length on the Colony's economic set-up and tried to explain what should be Government's economic policy. The reference is to pages 59-62 of Hansard for 1955. Reading that part over again during the past week I still feel that the policy stated at that time, the 2nd March, 1955 should stand. I said that our policy should be to help industry by the grant of land, and by promoting exports, and by guiding our manufacturers and exporters through the tortuous paths of import and export licensing, exchange controls, preferential tariffs and the like. I said also that I was doubtful, that I was more than doubtful, about the advisability of Government going into the financing of industry.

Now what have we done since then?

We have developed Kun Tong. We have reclaimed a considerable area, and developed it with roads and drainage, and we have laid out sites which we have sold by auction with bidding restricted to industry. What has been the result?

Although two sites for flatted factory development have been sold, and although some new industries have bought land there for development, some of the buyers were not new industries, but already had factories, efficient factories, established elsewhere. I understand that these interests have bought the new cheap land with the intention of moving their existing factories there, so that they can sell their present sites at a profit. No doubt these present sites will then be developed for tenement housing. When we were developing Kun Tong we thought, and we hoped, that we were providing for new industry; it is a little disappointing

to find that, in some cases at least, we were merely affording existing industries the opportunity to realize a substantial capital gain.

Mr. Ruttonjee referred to the importance of developing yet more new sites for industry. In the estimates for 1957/58 there appeared for the first time under Personal Emoluments in the Public Works Department a section headed "Development" which provided for an Assistant Director of Public Works, three Engineers and two Surveyors. The purpose of this new staff was to be to search out, survey and develop new sites primarily for industry. In other words we were planning ahead precisely on the lines suggested by my honourable Friend. Unfortunately, our intentions were frustrated because we were unable to obtain the necessary staff to fill the posts. We were then driven to avail ourselves of the services of a firm of engineers which was in the Colony, and this firm was commissioned to investigate a new road and four possible areas for development. The report is not yet to hand, but I gather that the investigations are proceeding, and proceeding fairly satisfactorily. I think, therefore, that it can hardly be said that we are not looking ahead.

So far as development of Lantao is concerned I do not think it is very likely that industries will move over there if they can get sites more convenient to the town. But we have taken the first step towards development on Lantao, that is, we have started road building. Electrical power is now also available, and it is only a matter of time before we see considerable changes. But staff limitations alone at present must hinder us from planning industrial areas there while we are still at work surveying much more accessible areas.

The question of discrimination against Hong Kong products, which has been raised, is one that is causing Government grave concern. I need hardly confirm that in every case where restrictions are proposed against our products, or where there is discrimination, Government protests and objects in the strongest possible terms. There are at present such instances as South Africa, New Zealand and the United Kingdom, and there will probably be more. But protesting and objecting can rarely get us very far, because we are a very small unit in the world pattern, and whilst Her Majesty's Government supports us to the limit of its capacity, we are in the position that we have nothing to

offer in return for any consideration that is given to us, because we have no restrictions and no tariffs. One main objection by many countries to the admission of Hong Kong products is their extreme cheapness, and this was stressed to me personally on several occasions during my travels last year. In very many instances where Hong Kong products are selling in some particular country, and competing with similar products made in that country, the animosity aroused, and the agitation that is commenced, is primarily and directly due to the fact that the price differential is so large; so unnecessarily large. If it were less, we should have much less trouble, and I think we would still compete successfully. And yet my honourable Friend, Mr. Clague, wants us to make matters worse by providing manufacturers with money, or with land, or with factories, on easier terms than they can now obtain, so that they can reduce their costs and sell at even lower prices, so that even greater animosity will be aroused in those countries in which we are selling our goods. And not only so; he would expose us to the further charge that we were subsidizing our industry, a charge which, once made, I am sure would inevitably give rise to a veritable epidemic of restrictions against our goods.

I was most impressed by the reverence with which my honourable Friend quoted a pronouncement of the Chairman of the Hongkong and Shanghai Banking Corporation; almost as if he were reading from Holy writ. I am afraid that Government prefers to consider such pronouncements from the viewpoint of the Higher Critics. A proposal for a Development Corporation was given serious consideration four or five years ago when the question of housing and slum clearance was being actively considered. The idea then was that the Development Corporation would itself carry out directly, housing schemes, slum clearance schemes, and land development schemes, acting as a non-profitmaking super landlord, or even as a sort of non-profitmaking land speculator, if that is not a contradiction of terms. At that time Government made the decision, rightly or wrongly, rather to set up a Housing Authority consisting mainly of the Urban Council, in order to deal with the immediate problem, but in the light of development since then, it may well be that a reappraisal of our policy might be worth while. Such reappraisal must necessarily precede the appointment of any committee. Government is as yet by no means convinced that there is yet any shortage of capital for

industrial development, especially now that the housing boom is slackening off, nor does it consider that the terms on which capital is available are unreasonable. If they were, how then could our products be sold abroad at such very low prices?

The branching out of industry into the making of new products, and publicity for our products abroad, are questions I think primarily for the Department of Commerce and Industry, to whose efficiency tribute has been paid in the course of this debate. I trust that my honourable Friends who raised this question will take up the matter direct in their capacity as members of the Trade and Industry Advisory Committee.

I think, Sir, I have covered all the points that have been raised which concern me, and I would like to express my thanks to my honourable Friends for their remarks.

THE COLONIAL SECRETARY: —Your Excellency, I think the Government is fortunate in that the speeches by Unofficial Members this year were characterized less by criticism than by constructive suggestion. This may be due in some measure to the fact that the Unofficial Members of this Council have been associated with us during the past year in detailed planning through the medium of Finance Committee and its various subcommittees. I think this is an excellent development, and it has been possible solely because these public-spirited men have been willing to contribute even more of their time and energy to the assistance of Government—sometimes in matters of tiresome detail. I have, on many occasions in the past year, emerged from Finance Committee, as tattered and torn as the Chairman of so formidable a body must expect to be, leaving behind me some group of unofficial colleagues just limbering up for another assault upon the Terminal Building, the Kowloon Hospital, the Abattoir or some other project of magnitude. I pay the warmest tribute to the Unofficial Members for their invaluable advice and help. It has benefitted the public, in that the unofficial opinion this year has been more intimately associated with major projects and overall planning than ever before. It has benefitted Government, in that business has in some respects been progressed much more quickly than would have been possible if we had not carried unofficial opinion along with us at every stage. And finally it has benefitted my official colleagues and myself, in that we are now faced with the prospect of examining positive

suggestions for improvement rather than of baring our breasts to the finger of accusation. I can assure honourable Members that whether or not their suggestions are dealt with in detail this afternoon they will not be filed away or forgotten—but they will be examined with care both in the Secretariat and the Departments during the coming months.

Lest it should be thought that those remarks may engender a mood of complacency, I will turn first to the accusing finger of Dr. Rodrigues and the subject of La Salle. I was myself the officer with whom the terms of the original requisition were negotiated and no one would be happier than I to see the Christian Brothers back under the shelter of their dome. I cannot however agree with Dr. Rodrigues that nothing definite is being done about it. The Secretary of State for War himself has announced that a decision has been made to build new hospital accommodation which will enable the War Department to relinquish the College. It is true that it has not yet been possible to decide when the College can be released. This is not because of any reluctance to arrive at a decision, but because of the very involved nature of the planning of new hospital accommodation which will probably include the renovation or reconstruction of the Bowen Road Hospital, and a local firm of consultants has been engaged to advise on this. In the meantime I am afraid the full capacity of the hospital at La Salle will be required. The heartening feature of all this is that a decision *has* been made as to permanent Service hospitals in Hong Kong and we can certainly hope that within the next few months a reasonably reliable date for the release of La Salle can be given. I hope that what I have said will indicate that the matter is far from forgotten and that it is the subject of earnest endeavour by the War Department.

Several members referred to questions affecting general administration and perhaps I may deal with these in association:

Mr. Terry suggested splitting off certain sub-departments of the Public Works Department, and certain licensing functions and the control of immigration from the Police Force. Mr. Ruttonjee proposed administrative assistance for the mainly technical departments and Dr. Rodrigues (the accusing finger again) referred to delays in implementing policy.

Mr. Terry's suggestions regarding the Public Works Department are not new; they have in fact been exercising our minds for some time. If the principle be accepted, I agree that the Waterworks presents an apparent case for autonomy. The Waterworks sub-department does not perhaps need quite the same degree of supervision and co-ordination as the other sub-departments. But responsibility for the water supply is at least a Civil Engineering function, whereas Architecture and Land Administration are not. There might, in principle, therefore be a case for relieving the Director of Public Works by setting up a separate Lands or Architectural Department and leaving Water under his control together with other Civil Engineering functions. But there are, of course, several other considerations to be taken into account, and I regret that I cannot at the moment provide any indication of what the eventual decision will be.

But the principle itself must not, I suggest, be accepted without some reservation. The detaching of sub-departments cannot be effected without some increase in expenditure. Certain Services which are common to two sub-departments may well have to be duplicated when the sub-departments become independent. Salary levels,—and terms of service,—in sub-departments do not necessarily fit the inter-departmental structure. The loss of physical contiguity may be inevitable and may be expensive. Moreover though the Head of Department may welcome the easing of his burdens, the responsibility which he has shed does not vanish into thin air. When the new department is created, a new responsibility is somewhere, and it happens to be thrown onto the back of that ever-willing horse—the Secretariat. I am afraid that it is this poor beast that Dr. Rodrigues in effect belabours when he refers to delays in implementing policy. Dr. Rodrigues did not descend to detail, but if he will let me have particulars at a later date I will gladly inquire into them.

I suppose that it would not be denied that the Colony has expanded in the last seven years—and with it the functions of Government. Honourable Members may therefore be interested to know that during that time the administrative staff of the Secretariat has not been increased by a single post. I think the same could be said of very few outside departments. The Secretariat has been able to absorb this ever increasing work

because of the qualities of the young officers who staff it, many of whom exercise responsibilities well beyond their years—and, I fear, continue to exercise them well beyond the appropriate hours. The Secretariat enjoys no publicity; it has no annual report, and a glance through Hansard might lead the casual reader to think that it did not exist at all. But it does exist, and I remember that some years ago, one of its junior officers formed the opinion that it had its existence at some point midway between the upper millstone of the Governor's authority and the nether millstone of departmental intransigence. (*Laughter*). But, though it continues to be subjected to unrelenting stress, there are no millstones today, and I am glad to say that the co-operation between the Secretariat and the Departments is excellent.

Mr. Terry also suggested that the Police Force might be relieved of certain licensing functions, and the control of Immigration. As regards the first point I think it must be appreciated that licensing is not purely a matter of machinery, but that the statutory authority to issue licences carries with it also the responsibility of formulating licensing policy. The general principle should be that whichever department has the major responsibility in the field with which the licensing is concerned, and which makes a system of licensing necessary, should normally be the licensing authority. I do not know what particular forms of licence my honourable Friend had in mind, but, if I might take the licensing of mah jong schools as a typical example, I would not agree that this should be removed from the Commissioner's direct control—because the considerations that underlie the need for licensing in this connexion are entirely those of law and order—and that is undeniably the province of the Commissioner of Police. I am sure, however, that the Commissioner would not wish to cling to more of these particular functions than are necessary, —and if he were to seek to divest himself of any which are not his by virtue of the principle which I have just described, I would certainly consider the matter.

But on the control of Immigration I do not agree with my honourable Friend. I say that one of the purposes of Immigration Control is to protect the people of this Colony from one of the gravest dangers with which they are faced, namely a new large-scale movement of immigrants into the Colony. We

have acquitted ourselves, more than acquitted ourselves, of our obligations to provide refuge, and two honourable Members have correctly noted that we have done it alone. But we have done it to some extent at the expense of the schooling, the medical treatment and the housing of others, of our own people, —and one must harden one's heart and admit that they, our own people, had the prior claim. We cannot continue to ask the people of this Colony to be patient while we, the Government, acquit our conscience of a burden which is not ours, but the World's. Indeed, Sir, in its immediate and practical impact the problem is worse than this. The prospect of a further influx of people is as Mr. Ruttonjee said 'no less than frightening'. The squatters, cleared from vacant land, moved to the roof-tops. The roof-top settlements were brought under control, —and now these desperate people have taken to the water—and we are presented with the new problem of controlling great masses of floating shacks jammed together in the shallow waters of Tai Kok Tsui and Shaukiwan. Just how that control can be exercised I do not yet know. It is as I said a new problem. But I do know that we must continue to restrain the cause of which this is the effect. Immigration control is vital, and no less. The Police Force is the only department with the resources, the scope, the experience or the information to control it both effectively and economically; and I see no possible alternative to the direction of Immigration remaining in the hands of the Police.

Perhaps this would be a convenient point at which to interpose a reference to Mr. M. W. Lo's suggestion that preliminary steps should be taken for the holding of a census. The next Colonial Census Year is 1961—and some thought has already been given to the position of Hong Kong. I do not say that it is necessary for us to fall into line—but there are some advantages in conformity. Furthermore a full census is a large-scale and expensive operation and may require anything up to 2 years of preparation. In view of this, and despite the undoubted need for accurate statistics, I doubt if we would be justified in anticipating by a comparatively short period a date accepted by international agreement.

Mr. Ruttonjee referred to the Police Force and to the professional departments and suggested that they might benefit by the attachment of administrative officers, who could assume some of the purely administrative functions, and thus leave the departmental

officers freer to indulge in their professional pursuits. I am glad to say that this development also had been anticipated and that arrangements have been made to post an experienced Cadet officer as Civil Secretary to the Police Force. A review of the functions which this officer will take over has already been made, and he will be assisted in these by a small staff from the executive and clerical grades of the Civil Service. The officer selected for these duties will not be available I am afraid until somewhere later in the year. We had it in mind to suggest a somewhat similar arrangement for the Medical Department, but I have not yet had the opportunity of discussing the matter with my honourable Friend, Dr. Mackenzie, and I cannot hazard a guess whether he will be delighted or appalled at the prospect. But I welcome Mr. Ruttonjee's perspicacity in raising the matter. Quite apart from the increase in efficiency which should result from such an arrangement, there is a further consideration which affects the morale of the whole service. A year or two ago we seemed to be dividing ourselves, on one issue at least, into two separate worlds—professional and administrative. I think that this temporary *apartheid* has pretty well been laughed off by now. And I hope it has—because there could be no greater disservice to the public interest than to preserve it—but I am sure a further step in the direction of integration would do nothing but good. Mr. Ruttonjee said that he did not advocate a return to the old Cadet system. I agree that we are never likely again to be presented with the spectacle which greeted—and impressed—me on my arrival here, when the Chief Justice, Commissioner of Police, Director of Education, Postmaster General and the magistrates were all Cadets (I can't remember about the Attorney General so I will spare my learned friend the embarrassment). (*Laughter*). Those days are gone forever, but they should not be forgotten without some nostalgic tribute to those very versatile members of what is still a very fine service. I am quite sure of one thing—that the versatility of the Cadet Service is not limited to the versatility of its former functions. I am quite sure that the Commissioner of Police will find his Civil Secretary as loyal a subordinate as any member of his own force. Nevertheless I think it would be well to see how this experiment works before we commit ourselves to a wider application. I need hardly say that the Cadet Service is not like the Secretariat—infinately resilient—and that more Cadet posts will be needed if this experiment is to continue.

But before I leave the Police Force I recall that Dr. S. N. Chau commented on the necessity for careful planning in the expansion of the Force, and on the need for the building programme and increase in manpower to march together—or at least to keep in step. With this view I entirely agree, and I know that few people could feel more strongly on the subject than the present Commissioner. In the past it is true that the Police have had more pressing matters with which to concern themselves than the co-ordinated planning of their own expansion. This we hope to put right now in two ways. The first is by strengthening the administrative organization at Police Headquarters, by the inclusion of additional senior posts. To one of these I have already referred. Another will be a new post of Senior Superintendent for planning duties. The other improvement will be the adoption of just such an overall plan as my honourable Friend has proposed. Some months ago the Commissioner of Police was asked to prepare a forecast for the expansion of the Police Force over the next five or six years. His report has now been received and is being studied. When agreement has been reached on the general plan to which Government should work in expanding the Police Force, it should then be possible to proceed in a more methodical manner than has perhaps been the case in the past. In the meantime as honourable Members are aware, a good deal is being done to adjust the unbalance between personnel and buildings. Provision is made in the Estimates for a new Police station at Wong Tai Sin, for the re-provisioning of Mongkok station and for policing facilities at the new airport, as well as for expansion of the Police Training School. Additional provision is made for inspectorate quarters and for the continuation of the programme for rank and file quarters. It is hoped that the contract for construction of 800 rank and file quarters will be let very shortly. The rate of progress in this programme remains to be decided in the light of the overall plan as finally adopted.

In the sphere of general administration I have deliberately left what is perhaps the most important point to the last. Dr. S. N. Chau and Dr. Rodrigues have both urged that more positive action should be taken to recruit, encourage, train and promote local officers.

Before appointing or promoting any officer, it is Government's policy, with the full support and encouragement of the Public Services Commission, to consider first the merits of serving officers and second the merits of local non-Government candidates in Hong Kong. And it is only after these two fields have failed to produce a suitable candidate do we look overseas for recruitment. This policy was recently re-affirmed in an Appointments Guide which has been issued to all Departments. The success of this policy is shown by the fact that in the last six years the proportion of local officers in the more senior posts (Class I and Class II) has risen from 10.75% to 37%.

It is of course no use appointing or promoting officers who are inadequately qualified or trained. Again in this matter the Public Services Commission has striven to maintain and improve the quality of the Service by insisting on the appointment of properly qualified candidates.

Most departments undertake organized training programmes in order to assist officers to improve their efficiency and qualify for promotion to higher posts, and a number of local officers are sent overseas to obtain more specialized qualifications or experience. The number of these increases annually: there were 23 in 1956; there were 39 in 1957; and 51 are to go in 1958. In addition 22 officers have taken no pay study leave in the last financial year. Two local officers are sent annually, with the assistance of the British Council, on merit vacation visits to the United Kingdom, so that they may broaden their horizons and gain additional experience, and proposals are at present being considered for sending more local officers overseas. This of course falls short of Dr. S. N. Chau's proposal that all local professional and technical officers (there are nearly 400 of them in the senior grades) should be required to go on study tours every four or five years, but it is a move in the right direction.

A survey of all Training Programmes is at present being undertaken by the Secretariat in order to find out what gaps exist and what more can be done to fit local officers for positions of responsibility and generally to improve the efficiency of the Service. When this survey is complete, Dr. Chau's valuable suggestion will be further considered.

The senior unofficial member also raised the question of the housing of Government's junior married staff who are not able to participate in co-operative housing schemes. During the past year various groups of officers in this category have made representations on this problem, and I can say that a good deal of thought has been given to it.

There are two main groups. Honourable Members are aware that many departmental quarters have already been provided, mainly for the Police Force, and it is intended in future to seek funds for more such quarters for departments other than the Police, where this can be justified on the grounds of operational efficiency of the particular department concerned. For example, the Estimates provide for 100 married quarters for the staff of the Fire Brigade.

There are, however, many junior officers in departments in which the provision of quarters cannot be strictly justified in terms of discipline or departmental efficiency. By junior officers I mean what we call Class V officers, those on a basic monthly salary of under \$260. Being non-pensionable they are, as my honourable Friend has pointed out, at present excluded from the civil servants' co-operative housing schemes, which in any case would involve a regular financial commitment probably beyond their means. These are the people whose housing needs seem to merit some special consideration.

In the general field of low cost housing Government's main effort is still directed, first, to squatter clearance and the resettlement operations, and second, by means of loans and grants of land at cheap rates, towards assisting low-cost housing organizations such as the Housing Authority and Housing Society. Civil servants are, of course, free to compete with the general public for flats built under these schemes—and, in general, it is desirable that they should be encouraged to do so.

Nevertheless Government accepts the contention that as a good employer it should, in view of the continuing housing difficulties, give special consideration to helping junior staff who have served the public well over a number of years. It has therefore been decided, as an initial step in this direction, to negotiate with the Hong Kong Housing Society for the allocation of 1,000 quarters in the Society's projected estate at Shaukiwan.

The intention would be to allocate these flats to Class V officers on a points basis, which would take into account length of service and family circumstances. The estate is to be a large one and is not likely to be completed before 1960, but I am glad to have this opportunity of making a preliminary announcement of these proposals, as an indication that Government is aware of the special housing difficulties of its junior staff and that it desires to assist them to overcome these difficulties, even though it cannot undertake to meet the needs of all.

I now turn to a few miscellaneous matters raised by Unofficial Members. Dr. Chau and Dr. Rodrigues inquired about the progress of the Fluoridation Scheme. The delay in bringing it into effect has been due to inquiries regarding, and difficulties in determining, the most suitable type of equipment. This is, of course, a matter of some importance; and I do not think that the intervening time has been wasted. The interim has also made it possible to clear up one or two points of doubt. A visit was recently made by an engineer of the Waterworks Office to the pilot scheme in Singapore and, on a basis of his recommendations and further information from London, a decision has now been taken as to the type of equipment best suited for Hong Kong. I am happy to say that it is hoped to have the scheme in operation by the end of this year.

Mr. Clague referred briefly to the second Cross-Harbour Vehicular Ferry Service. I regret the delay as much as he, but it has arisen partly as a result of a most conscientious preliminary report by the consulting engineer, who was appointed at the end of last year. In addition, technical objections have been raised against the siting of the new pier at Hunghom, and it has been suggested that the terminal might be more advantageously placed further North in order to avoid the increasing congestion in the Hunghom area, and to meet the demands of potential development in North and North East Kowloon. These objections have been upheld by the Consulting Engineer, who has also advocated a number of major changes in the accepted scheme: these affect both the siting and the construction of vehicular and passenger piers at either terminal.

Though the need to proceed urgently with this new service is fully appreciated, I do not think it could be denied that it was quite impossible, in the circumstances, to proceed with the

earlier scheme without detailed re-examination. A small official committee has therefore been set up to make final recommendations to Government. The Committee is proceeding with its work as quickly as possible, but I fear that some delay will be inevitable.

Dr. Rodrigues raised the question of town planning, and in particular mentioned the large numbers of cinemas, schools and so on in the Causeway Bay area, which admittedly cause very bad congestion. There *is* a remedy for these ills, —but it is the very expensive one of introducing user and density zoning. This would oblige Government to spend vast amounts of money in compensation to the owners of the land affected by these town planning restrictions. The public purse simply cannot stand demands of this magnitude, and in any case, it is already heavily committed to the purchase of leased land needed for street widening.

An examination was recently undertaken of the proposal to move the Kowloon-Canton Railway terminal from Tsimshatsui to Hung Hom. This scheme was indeed suggested in the Abercrombie Report, but I do not think there can be any question that we have had imposed upon us many more urgent projects since Sir Patrick visited Hong Kong. I can assure my honourable Friend that planning of the layout of the area east of Chatham Road will proceed as soon as a decision is taken on the siting of the railway terminal.

As to the future activities of the Town Planning Section, I myself feel that, when the reinforcement of this Section has become effective, it should for some months concentrate its work on the newly developing areas, rather than on the already built up districts where development has already gone so far that it is too late to turn the clock back, —even if we could conceivably afford to do so. But the Town Planning Board is considering this matter. The Planning Section will of course be very much concerned with the future layout of the areas to be vacated by the Admiralty and the War Department, but no worthwhile planning can start until the exact extent of the areas to be vacated by the Admiralty is known, and this is at present under discussion with the local Naval Authorities. In any event the planning of the Murray area is to some extent inhibited by

another consideration, namely the re-design of the junctions of Garden Road and Murray Road with Queen's Road. This might conceivably be so large a project as to impinge quite considerably upon the neighbouring lands at present held by the War Department. Honourable Members will be interested to know that a recognized authority on Traffic Matters, Dr. Charlesworth, who is Head of the Traffic Section of the Road Research Laboratory in the United Kingdom, has been invited to visit the Colony and is expected here at the end of May. His advice will first be sought on the problem of this particular road junction. Planning of the neighbouring areas can then proceed.

Mr. Kwok Chan expressed a fear that the Police might be condemning obsolete motor-cars somewhat haphazardly. (I suggest that there may be many residents of this Colony who would wish them luck—and look forward with some interest to the day when they can turn their attention to non-obsolete motor-cars). However I am informed by the Commissioner that the Police have no intention of condemning obsolete motor cars or of depriving any owner of his right to carry out effective repairs. Powers to remove vehicles from the streets are contained in the Vehicle and Road Traffic (Construction and Use) Regulations, 1956, and I am assured that they are used only in the last resort, and after all efforts have been made to seek out the owner or other person responsible. Vehicles abandoned in the streets are a serious nuisance. They prevent or interfere with the cleansing and repair of roads, they are a potential cause of accidents, and they lead to endless complaints. Such vehicles are invariably found by the Police to have been abandoned because of their unroadworthy condition.

Mr. Clague asks whether we have sufficient friends in Whitehall, and, perhaps fearing the worst, suggests that we should cock our hats at Parliament Square. The first-hand ignorance of Hong Kong in the House of Commons is not perhaps quite so profound as Mr. Clague might suppose. Since the extended visit in 1954 of the Labour Party Delegation to China led by Lord Attlee, we have had one Commonwealth Parliamentary Association delegation led by Lord Clitheroe, later in 1954, and we have had individual or group visits from no less than 27 Members of Parliament. These visits were of varying length but in at least 17 of the cases the visitor was

looked after by officials and was shown such of our activities as time and inclination allowed. (I mean, of course, the inclination of the visitor: a Civil Servant's inclination is not in question). (*Laughter*). But I would certainly agree with Mr. Clague that the more we can do in this respect, the better. The first requirement, however, is to get the unsuspecting Member into our clutches. Perhaps an invitation would come most appropriately from our own Branch of the Commonwealth Parliamentary Association—of which Mr. Clague is now a full member.

I must now turn to a major subject with which several Members dealt at length, and with some gravity. The complex problem of Education in Hong Kong. If we disregard for a moment the pressure of population, there is possibly no more complex and no more recalcitrant problem before us than this. As is well known, the Chinese people are characterized by a passionate desire for the education of their children. This is really the root of the problem. There are no 'truant patrols' in Hong Kong—and, if there were, they would have about as much to do as a machine for converting fresh water into salt water.

The problem is not comparable with that of providing decent homes; we have all seen the cheerful and patient faces that can exist under a thin shelter of sacking. The problem is not comparable with the relief of suffering and pain; we have all seen the fortitude with which these can be borne. These are all material considerations. But this is a problem of satisfying a single, universal aspiration of the human mind, fortified by tradition and retained with the conviction of a faith. It might even be said that one sure measure of our success as a Government is the extent to which we can meet this universal demand. There are three essential requirements for a school: money, land and staff. The potential gravity of the situation lies in the fact that one simply cannot foresee the day when we shall have enough of any of these requirements to provide universal education for our present population—up to such standards, for example, as are today maintained in the United Kingdom. But we will not, and cannot, say that this commitment is beyond us. If the number of dollars is beyond our capacity, then we must apply each dollar so skilfully that it produces the effect of several dollars. Land can be found if we build high, and reclaim and cut back into the hills. And teachers can be trained if we have both land and money.

But the extent of this commitment cannot be foreseen—and to meet the challenge of education in Hong Kong today is partly an act of faith and partly the exercise of an almost devilish ingenuity.

Even so, there are two aggravants of the situation which I have just described. The first is that the natural increase in the population is running at the alarmingly high figure of nearly 80,000 a year. The second is the existence in our midst of schools that are not schools; schools which do not teach but indoctrinate; schools where the end-product is not knowledge or wisdom, but political parrot-talk. It is upon this situation that a complex educational system is superimposed.

I say complex because the various stages of education—primary, secondary, post-secondary, higher—are not watertight compartments. The effort you expend on the primary need itself creates a need for secondary and higher education, and this in turn puts further specialized demands upon the teacher-training colleges.

Perhaps I may be forgiven for presuming to enlarge upon Dr. Rodrigues' metaphor. The true structure I suggest is not the pyramid—but a strange sort of cone with flying buttresses (which are the teacher-training colleges) reaching up to the various stages. And there is not one cone, but two—representing the Chinese and the Anglo-Chinese structure of education. And I regret to say that the base, the potential base, of each cone is expanding. An unbalanced system of education gives you a squat, unpleasant looking cone with a base too big for its height. A properly balanced system gives a tall cone of acceptable proportions.

I suggest that the various points made by honourable Members on the subject of Education may be summarized as concern over the shape of the cones we are building, the size of one in relation to the other, and the methods of support for either. Four years ago Government accepted primary education, the base, as its first and major commitment. I believe that there are grounds for thinking that the potential base has increased disproportionately, even since the seven year plan was last revised. It was the intention then that assistance to secondary and higher education should be limited to land concessions and grants in aid or

subsidies. That is still the intention, and I do not think that it could be changed at this stage without a major revision of educational policy. If still further public funds for education can be provided, very much the major part must be applied at the still expanding base. If either structure is to be enlarged strictly in proportion to the size of the base, it will be necessary to continue to rely to a very substantial extent upon the religious bodies, the voluntary organizations and the general—and generous—public. If members really feel that this principle should be changed, and that public funds could be better applied at higher points in either structure, Government would certainly consider the possibility of a further general review.

But there is one thing that should be made clear. Dr. Rodrigues correctly pointed out that the rapid increase in primary places had led to a natural increase in the demand for higher education, —but he seemed to suggest that Government should meet this new demand from its own resources. This would not, I think, be possible under the present policy. Government has undertaken to meet student demand at the Primary level—and here its assistance is general and indiscriminate. But it is not the intention that Government should attempt to meet full student demand at the Secondary level or higher. At the Secondary level we *must* discriminate, and it is still the policy that the limited help available should generally be reserved for students of proved ability who can really benefit from more advanced studies. At the Higher level somewhat different considerations apply, and we try to use the influence of public assistance in such a way as to guide the student of proved ability into courses of study which will, in at least the technological spheres, help to meet the community's current needs. If, as Dr. Rodrigues suggests, this selective assistance at the Secondary and Post-Secondary stages results in a "severe distortion of the cone near the top" I would say that his accusing finger should not be directed at the Government. Because Government's major concern is, and under present policy must remain, with the base.

The Education Department is at present conducting an examination of the incidence of expenditure both in respect of its present commitments and of expansion that might be feasible under the existing policy. This may well provide some indication of the effectiveness of the present forms of subsidy. There

has been more than a suspicion that the Grant and Subsidy Codes are beginning to creak at the joints. The Block Grant is no longer popular and we are becoming more and more committed to the "deficiency" system. It is perhaps relevant to recall that, as long ago as 1950, the Fisher Report recommended that the existing Grant and Subsidy Codes should be replaced by a single Grant Code based either on straight *per capita* or straight percentage grants. This recommendation was accepted by Government, although the Board of Education expressed somewhat divergent views. Now the matter is taken a stage further by Dr. Chau who has put forward a suggestion which might lead to some modified form of subsidy for private schools. I shall have more to say of this a little later.

Even within the present policy, however, there is scope for adjustment and to that extent the suggestions of honourable Members might be met. To start at the top. The University. A year ago the University wrote to Government and asked for advice as to how it could best meet the higher education needs of the Colony. In the reply emphasis was laid on the need for expansion of the intake in the Arts and Science faculties, in response both to student demand, and to the need for potential teachers. Attention was also drawn to the special advantages to be gained from a greater intake into the Medical Faculty, and particular emphasis was laid on the needs of students from the Chinese secondary schools. The University is drawing up its plans accordingly. But there was one line of development which the University hoped to see which was not at that time endorsed by Government—the extension of the Faculty of Engineering to include Electrical and Mechanical Courses. It may well be we were wrong. I feel that this expansion might be of considerable value to the Colony in several different ways. It seems too that this value might be considerable in proportion to the cost; and this is a major consideration in view of what I said earlier. A University Committee has recently endorsed this proposal for expansion in the Engineering Faculty and its report has been sent to Government with the support of the University Council. This is now being considered, but I must emphasize that the University cannot, of course, meet this new obligation from its present resources—and further assistance from Government will be necessary.

The Dental School proposed by Dr. Chau would be a much heavier commitment. This suggestion was first made in 1952 by the Keswick Committee on Higher Education. Hitherto we have shied off the project because of its cost, and we have tried alternative schemes for dentistry training in Malaya and Australia. The Malayan scheme gave rise to difficulties and it is now fairly clear that the Australian scheme cannot meet our needs—which will certainly increase in the future. The Director of Medical and Health Services has therefore been authorized to consult with the University on a detailed scheme for a Dental School in Hong Kong. The question of priority, certainly in relation to a possible expansion of the Engineering Faculty, will arise, —but I would not like to venture an opinion on this at present.

Dr. Chau mentioned the Chinese post-secondary Colleges. I agree that these institutions have already done much to establish themselves in the Hong Kong system, and I am informed that three of them have now come into close co-operation under a Joint Council. This Joint Council is preparing a memorandum on standards, finance, control and recognition of the Colleges. When this has been completed it will enable a full study of the possible development and functions of these colleges to be made. But not until then will it be possible to determine in what form recognition and assistance should be accorded; but it will be Government's aim to ensure that a reasonable percentage of the best students from the Chinese middle schools in Hong Kong are given a fair opportunity to continue their studies in recognized local institutions of higher education.

Dr. Chau and Mr. Ruttonjee expressed concern that new courses at the Technical College should be related to actual needs. This will certainly be so. The Technical College already has an Advisory Committee consisting of representatives of Commerce and Industry, and each department of the College will have its own Trade Advisory Committee in due course. Such committees are already advising the Textile and Building Departments. Others will be constituted shortly. I am happy to say that, though the College has been in occupation of its new premises for only four months, very substantial progress is being made.

Finally, Dr. Chau suggested a modest degree of assistance for private schools. I agree that to extend the subsidy code to such schools would be a major commitment, —in return for which we would not obtain the extra school places which is the value we must, in general, demand for our money. Nevertheless it may be possible to offer some form of additional help to well-run private schools where there is a proved financial need, and I have asked the Acting Director of Education to examine this possibility carefully.

With your permission, Sir, I would like to conclude with a few remarks on behalf of the Public Service of this Colony. Our corporate voice is seldom heard—in fact it sometimes seems as if the egregious atmosphere of official silence in which we work is complete—except perhaps for the clatter of occasional brickbats, and sometimes the strident tones of a more malicious criticism to which we can make no reply. Nevertheless, it is quite clear to anyone who has worked here as an official for any length of time that we have our corporate spirit. Corporately we are a body of men and women who are capable of, and have demonstrated, devotion to the community which we serve. Over the years I have seen many evidences of the genuineness and depth of this feeling, and I am convinced that it is as strong, and as widespread, today as it has ever been.

We are the servants of a Government of which Your Excellency is the head. We are glad that it should be so; and I am sure that our welcome to you two months ago was no whit less sincere than that, so sincerely spoken, on behalf of the community as a whole by Sir Tsun Nin Chau.

I am sure, too, that my colleagues, nowadays a great body of men and women of several races and creeds, would not wish me to miss the opportunity, presented by the winding up of this debate, without expressing to you, Sir, our continuing loyalty and devotion. And that I do—in all sincerity. (*Applause*). I now move that the Resolution be adopted.

The question was put and agreed to.

**RESOLUTION REGARDING THE ESTIMATES OF  
REVENUE AND EXPENDITURE FOR 1958-59.**

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved that the Estimates of Revenue and Expenditure for 1958-59  
as amended by the Report of the Select Committee be approved.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

**APPROPRIATION (1958-59) BILL, 1958.**

THE FINANCIAL SECRETARY moved the First reading of a Bill intituled "An Ordinance to apply a sum not exceeding six hundred and forty-eight million, one hundred and twenty-one thousand, seven hundred and ten dollars to the Public Service of the financial year ending the 31st day of March, 1959."

He said: Sir, the purpose of this Bill is to set the seal of legislative approval to the Estimates of Expenditure which have just been approved.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

THE FINANCIAL SECRETARY: —Sir, as the new financial year has already commenced it is most desirable that this Bill should be passed through all its stages today in order that accounts may be paid as they are presented. If, Sir, you are of that opinion I would ask Your Excellency's consent to move the suspension of Standing Orders.

H. E. THE GOVERNOR: —I am of that opinion.

THE FINANCIAL SECRETARY: —Sir, I move the suspension of Standing Orders in order to allow of this Bill being read a Second and Third time today.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

THE FINANCIAL SECRETARY moved the Second reading of the Appropriation (1958-59) Bill, 1958.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Second time.

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

Clauses 1 and 2, the Schedule and the Preamble were agreed to.

Council then resumed.

THE FINANCIAL SECRETARY reported that the Appropriation (1958-59) 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.

### **UNIVERSITY BILL, 1958.**

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

THE ATTORNEY GENERAL 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.

H. E. THE GOVERNOR: —With your concurrence, gentlemen, we will take these clauses in batches of five.

Clauses 1 to 4 were agreed to.

Clause 5.

THE COLONIAL SECRETARY: —Clause 5, Sir. I beg to move the amendment standing in my name.

*Proposed Amendment.*

5. Leave out this clause and substitute therefor the following—

“Property. All the property vested in the University immediately before the coming into operation of this Ordinance shall continue to be so vested subject, so far as leasehold property is concerned, to the payment of the rents reserved by, and the performance and observance of the covenants, obligations and conditions on the part of the lessee contained in the Crown leases or conditions of grant of such property.”

Clause 5, as amended, was agreed to.

Clauses 6 to 17 were agreed to.

Council then resumed.

THE COLONIAL SECRETARY reported that the University Bill, 1958 had passed through Committee with one amendment and moved the Third reading.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

**ADJOURNMENT.**

H. E. THE GOVERNOR: —That concludes our business for today, gentlemen. When is it your pleasure that we should meet again?

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

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