

**OFFICIAL REPORT OF PROCEEDINGS.****Meeting of 18th March, 1959.**

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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. EDMUND BRINSLEY TEESDALE, M.C. (*Acting*).

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 NGAN SHING-KWAN, 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.

THE HONOURABLE HUGH DAVID MACEWEN BARTON, M.B.E.

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

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

**MINUTES.**

The Minutes of the meeting of the Council held on 25th February, 1959, were confirmed.

**ADDRESS BY THE GOVERNOR.**

Honourable Members will not wish me to proceed with the business before Council without first speaking about something which must be very much in the minds of all, namely the heavy loss which Hong Kong has suffered by the death less than a fortnight ago of Sir Man Kam Lo.

I undertake this duty now with a very real sense of personal sorrow. Sir Man Kam was a true and forthright friend to me as well as a wise and fearless counsellor. I know that my predecessor regarded him in the same way.

After a lifetime of high endeavour in the public service, including long and distinguished membership of this Council, Sir Man Kam came to fill a very special place in the community of Hong Kong. Honourable Members, many of whom have had the privilege of knowing him for longer, many more years than I, will recall the innumerable public duties to which Sir Man Kam Lo devoted so much of his life, so much of his time and intelligent interest during so many years. To all these tasks he brought outstanding qualities: unwearying energy and an unwavering determination to promote the happiness and best interests of the mass of the people of Hong Kong to which at all times he gave an uncompromising loyalty. He had intellectual integrity of the highest order, a deep sense of justice and moral courage.

Of all these qualities that which I especially admired, if I may make any distinction at all, was his sense of justice, his passionate interest in the rights of the individual under the law.

For his devoted service, particularly in the troubled years after the Liberation, with their many problems and perils, the Government and people of Hong Kong owe a debt of gratitude which I cannot hope, nor do I intend to attempt, to assess. On behalf of the Administration I myself gratefully acknowledge this debt and, in so doing, I extend my deep sympathy to Lady Lo and to the other members of Sir Man Kam's family. I know that honourable Members will wish to associate themselves with what I have said, and I would ask you all, as a mark of respect to a distinguished citizen of Hong Kong and a devoted servant of the community, to stand for a brief while in silence.

**PAPERS.**

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

<i>Subject.</i>	<i>G.N. No.</i>
Sessional Paper, 1959: —	

No. 5—Triennial Survey by the Director of Education for  
the years 1955/58.

Report of the Select Committee on the Draft Estimates of  
Revenue and Expenditure for 1959/60.

Dangerous Drugs Ordinance.

Dangerous Drugs (Amendment of Schedule) Order, 1959 .....	A. 10.
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Emergency (Requisition) Regulations, 1949.

Emergency (Requisition) (Use of Land by His Majesty's Military Forces) (Cancellation) Order, 1959 .....	A. 11.
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**RESOLUTION REGARDING THE REPORT OF THE SELECT  
COMMITTEE ON THE ESTIMATES FOR 1959-60.**

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 1959-60, be adopted.

THE FINANCIAL SECRETARY seconded.

DR. CHAU SIK NIN: —As I sat and listened three weeks ago to your summing up of the year we are leaving behind, I could not help but be impressed by the feeling of confidence you diffused and none can be unresponsive to the urgency of your call for reorganization to meet the challenges of the future. We are inclined to accept as commonplace, Budgets which increase both on the income and expenditure side at the rate of \$100 million every 12 months, in spite of the conditions obtaining, and we do not often pause to ponder why it is that we manage to maintain this standard year after year with our negligible natural resources, our overwhelming problems and with next to no outside help. A little thought convinces that the reason is because we are blessed with good and intelligent Government and most of all by possessing exceptional talent and robust leadership at the very top. For this Sir, we are grateful to you.

My honourable Friend the Financial Secretary has a very special niche in Government and in our esteem. I think we are at one in our admiration for the remarkable way in which he makes ends meet, ends which grow farther and farther apart each year. He threatens us this year with a deficit of \$87 millions but he makes the announcement as calmly as if he were telling us that we may expect the moon to be full next Tuesday. I can well remember the time when he was filled with gloom and apprehension at the prospect of a deficit of \$32 millions. How times have changed, or rather how our ideas relating to fiscal policy have changed.

I often wonder whether my honourable Friend feels akin to the operator of a pin-ball machine as he watches the light, as it were, jump from 3 hundred millions to 4 and then to 5 and now to six hundred millions and I can't help wondering also whether he's quietly ticking off on his mental fingers, the years till he brings in that budget reaching the milliard mark. It is evident that we cannot go on forever spiralling upwards in this way and while we may not yet need to call a halt to public spending, that time may be drawing very near. My honourable Friend put forth the idea that part of our burden of capital development—now exceeding \$1,000 millions—should be passed on to the next generation. I couldn't agree with him more and in any event there will be more of them than there are of us to share the load.

In the meantime, we, and I speak on behalf of my Unofficial Colleagues as well as myself in this regard, are quite content to agree to meet our deficit in the coming year, if indeed a deficit does transpire, from our reserves. The Honourable Financial Secretary's concession in regard to the duty on Toilet Preparations has our unanimous support—as he indicated it is of general interest.

The concession in regard to table wines has the approval of the Unofficials and we feel that the increase in tobacco duty will prove of no great hardship. My honourable Friend's justifications for the increase are such that no arguments can be raised against it.

As usual, the Unofficial Members of Council have had every opportunity to go through the Estimates with a fine tooth comb and this they have in fact done and being satisfied that the figures now presented are in order, there is little I wish to say on the Estimates themselves. The occasion of the Budget Debate, however, is traditionally the one time in the year when the Unofficials are allowed to range at large over the field without being called to order, and this I think is a good idea for it gives the public some indication of what we endeavour to do throughout the year. The general public has no inkling of the time and effort that are expended in Committee where the major portion of the work of this Council is done, and is alas all too ignorant of what Legislative Council is and does.

As a member of the Medical Profession, my primary interest is naturally in medical and health matters and I find first of all much cause for satisfaction in the knowledge that the mortality rate for Tuberculosis is the lowest yet recorded and specially in noting that the death rate among children is less than one half the figure recorded in 1951. At one time 40% of all deaths from T.B. occurred before the age of 5 years, now the percentage is 19.6. This favourable turn of events is due to the efficacy of B.C.G. and the other measures that have been adopted. We must not however be content to rest on our laurels. At present only 46% of the newly born are vaccinated and to achieve the optimum of 100% a vigorous publicity campaign should be conducted at all our ante-natal clinics, maternity homes and hospitals.

The rise in the incidence of Polio last year caused much apprehension. A great deal of the concern sprang from the gravity of the situation that occurred in Singapore, but thanks to the alertness of our medical authorities, the incidence of the disease, though it did rise sharply during the summer months, did not reach anything like the proportions obtaining in our sister Colony. We must be grateful to the Honourable Director of Medical & Health Services and his staff for the promptness of the measures they adopt to safeguard the health of the population and for being wide awake to potential dangers. It is eminently satisfying to note that Government is studying the problem of control of poliomyelitis and has set aside funds for the production of a new oral vaccine.

Last year a total of 1,555 cases of diphtheria were reported and 134 deaths from the disease occurred. While these figures may not appear very large in proportion to our population, they are lamentable because diphtheria and deaths therefrom are wholly preventable. It is within our power to make this disease as rare in Hong Kong as smallpox is today. A free diphtheria inoculation service is available to all, a service which gives optimum results. Unfortunately the great majority of cases occur amongst children of pre-school age and there seems no other way of reaching parents and guardians except through intensive propaganda.

The three diseases I have spoken on affect mainly our infant and pre-school population. With regard to school children I'm afraid I'm not at all happy about the state of the School Health Service. It is noted that only 28,088 are considered eligible for this scheme, less than 7% of our school population. If this programme is to be of any material benefit to our child population, it must be made universal. As it now stands, it is neither here nor there and has in fact the appearance of being but for the favoured few. If the reason for the small enrolment is insufficient staff, then I must press my honourable

Friend the Director of Medical & Health Services to take steps to make staff available; if the reason be lack of interest on the part of parents (and this I can hardly credit) then the need for a vigorous publicity campaign is indicated.

I have mentioned three times the need for publicity campaigns in regard to the same number of health subjects, and I feel rather strongly that a great need exists in the Medical Department for a specialized publicity section. Posters and pamphlets have their place in the propaganda field but Health Education is not limited to these two media for mass education. Mobile cinema units showing suitable and preferably coloured films and cartoons; film strips; commercial cinema shorts; radio and television are all channels for education. Government has made efforts in this direction, but greater exploitation of these methods is required. The capital outlay and recurrent costs will not be great but the dividends we shall reap in the way of better health of our people will be incalculable.

In last year's Budget Debate, my honourable Friend & Colleague, Dr. Rodrigues and I broached the subject of a Dental School in Hong Kong, and we were informed in reply that the Honourable D.M.H.S. had been authorized to consult with the University on a detailed scheme for a Dental School. I should like to learn what has transpired since then. As it is now admitted that the Malayan and Australian schemes cannot serve our needs, the establishment of a Dental School becomes more urgent than ever. Along with Dentists, dental mechanics must be trained and I deplore and regret the total lack of training facilities in the Colony for these technicians.

Before leaving medical matters, I should like to touch briefly on the problem that overshadows all other problems in the Colony and that is our rising birth rate. The number of births recorded last year reached 106,624, the highest in the history of Hong Kong. The birth rate shows every tendency to continue to rise year by year and the death rate to fall. Our many problems result directly from, or at least are aggravated by, the increasing pressure of population. This is a problem shared by practically every country in this part of the world, but with our very limited space for spreading out and our lack of natural resources, our problem is more acute than that of our neighbours. Nevertheless, other countries have taken active steps to slow down their birth rate and we must seriously consider like action. Government has already given official cognisance to the Family Planning Association by granting this worthy body a subvention of \$200,000, and I hope every encouragement will be given to it to widen the scope of its activities and to press on more vigorously with its aims.

Your Excellency's reference to Education—what has been done during the past year and what is contemplated—is encouraging. The very success of our primary school expansion programme is of course creating further problems, for it means that additional provision must be made for education at higher levels. Of these, the most important—certainly the most urgent—is more secondary school accommodation, and I am glad to learn from Your Excellency's address that the Director of Education is now preparing to tackle this problem in a more systematic manner than was possible in the past. With Government's other heavy financial commitments, it cannot be expected that the public purse can provide secondary education for all; but at least a due proportion of our pupils in primary schools should be enabled to continue their education beyond that stage. This is not just a question of giving parents and children what they want, it is a question also of giving the community what it needs, for as our commerce, industry and social services expand, their efficiency can be maintained only if there are enough young people of sufficient education to staff them. Education, I consider, is at the least a great servicing machine for all our other activities and as such we cannot afford to neglect it or to make less provision for it than is required to keep it both adequate and efficient.

While on the subject of secondary education, may I say also how much I support Your Excellency's reference to the need for a variation of types. I know that here, as in many other parts of the world, there is an inherited predilection for schools of the grammar school type. In the past that type has served us well, and I am sure it will continue to do so. But it is not best suited for all pupils, neither does it provide the best training for all forms of employment. I am sure that as time goes on, parents and employers will realize increasingly that the best kind of education is that which pays most regard to individual aptitudes. I believe that in the United Kingdom it has been concluded that grammar schools are suitable for only 15% of the school population.

In mentioning employers, my mind turns to industry. We have during the year, concluded an agreement to limit our textile exports to Great Britain. This agreement will certainly hurt our textile industries, but as in a family, so we, a member of a family of nations, are prepared to make personal sacrifices if they benefit the family as a whole. We must insist, however, that Government most vigorously prosecutes the policy of ensuring that there is no further discrimination against our industries. It was rather alarming to note that our concessions to Lancashire were so promptly followed by demands from other quarters, and considerable despondency prevails among our local manufacturers who fear that similar ceilings in other fields may follow. We should not forget that the textile and connected industries have been the industries

to show the greatest expansion in the last ten years and are the greatest employers of labour. It is reasonable to suppose that the growth of these industries has been responsible, in the main, for our economic stability in spite of the loss of our traditional entrepot trade. Their development has been built up on two main principles—quality products and low selling prices. Quality can still be improved upon, but where low prices are concerned if our manufacturers are able to maintain the advantage here that they possess, they will be more than lucky. We are not blessed with raw materials and unless free competition for raw materials prevails, prices will tend to rise. The restriction on weavers and spinners to the use of only one type of yarn is a case in point and I understand there is considerable dissatisfaction in the weaving and garments sections over this ruling. I appreciate the difficulties of local spinners, but I hope that all connected with the industry can get together in a friendly manner and reach some sort of satisfactory agreement among themselves. I understand there is also some dissatisfaction about the quota allocations and I trust Government will modify this part of the control as soon as it is in the best general interest to do so.

As other industries fear that a fate similar to that which has befallen the textile industry may overtake them there is a general reluctance to expand and to devote any further capital funds to development. These tendencies do not augur well for our financial and economic health and with the diminution of our entrepot trade, industry must be encouraged to grow robustly and must be lifted from the slough of despondency into which it is drifting.

A first step towards this end might be the establishment of the Industrial Development Bank to which Your Excellency referred in your review. The publication of the report of the Committee which has been appointed to examine the question will be eagerly awaited. A further stimulus to industry would undoubtedly be the establishment of Hong Kong Offices or Trade Commissioners in all territories where trade is developing or could be developed—both the Americas, South Africa and West Germany for instance. A permanent showroom at Kai Tak for the display of our manufactures of all kinds might also help.

Although it won't help in developing trade, the establishment of a branch office of the Department of Commerce & Industry in Kowloon for the issue of certificates and licences would certainly be a boon to our manufacturers. Practically all our factories are on the peninsula. The establishment of such a branch office would cut down travelling time and ease the congestion in the main office. A further aid to manufacturers would be the encouragement of increased numbers of low cost housing projects near industrial centres. Decentralization of population and the creation of satellite towns have merits in themselves,

but coupled with the needs of manufacturers—having labour on the spot, reducing cost of living of workers, etc. —they become doubly desirable.

But then housing is something that affects us all, and our housing situation has all the appearances of a conundrum. We spend millions on resettlement, yet our squatter population is still 350,000—much the same figure we were given six or seven years ago; well over \$100 millions are spent annually by private enterprise in constructing new domestic premises, yet the survey carried out by the University in August 1957 indicates that less than 10% of the households living in regular housing in the urban area have accommodation which includes a living room not used for sleeping. It seems clear that with the major proportion of our population earning a total income of below \$300 a month, the emphasis on new housing construction must be on accommodation with inclusive monthly rentals of very much below \$60—the accepted principle of a maximum of one fifth of the monthly wage for housing. This is a point I would particularly stress to the Housing Authority who are charged with the responsibility of providing low-cost housing. The selection of tenants for the Authority's flats is limited to those with a total family income in the range of \$300 to \$900 a month, and on this basis, the biggest section of the community in need of housing is automatically excluded. The Hong Kong Housing Society, on the other hand, which draws its capital funds in the main from Government, does cater for this lower income group and does an excellent job. I would like to see more funds made available to this Society or similar groups, where the practical work of planning and construction is unfettered by red tape and therefore much less complicated, resulting in smoother and quicker construction. Government has purchased 1,000 low cost flats for its daily paid and similar staff and I should like to see an expansion of this plan. Government, as the largest employer in the Colony has a particular duty to set an example to others in providing adequate accommodation for its employees. Local staff in Government Service and on the Pensionable Establishment are making full use of self-help Co-operatives, but the lower paid staff are not eligible to participate in these schemes nor would their incomes make it feasible, and while the acquisition of 1,000 flats is a step in the right direction, the number will bear very much improvement.

Housing is in part responsible for that huge figure for capital development which has already been mentioned, and my honourable Friend the Financial Secretary has called attention to the delay of the Housing Authority and of the Public Works Department in fulfilling their schedules.

My honourable Friend the Director of Public Works could, I suggest, wriggle out of his dilemma by farming out more jobs to private firms. We have in the Colony many reputable architectural firms who have

a strong engineering bias, their engineers possessing the very highest qualifications and the help of these firms could quite profitably be enlisted in carrying out engineering projects. I know of course that many architectural firms already help with architectural works but undoubtedly they could help much more and the same procedure could well be applied also to engineering projects. I have a suspicion too that lower costs would result, to the benefit of the taxpayer and certainly more employment would immediately be created.

Last year the Honourable Colonial Secretary, in reply to a question I raised in the Budget Debate, indicated that 51 local officers of the professional and technical classes were to be sent overseas in 1958 for specialized training. In view of the difficulty my honourable Friend the Director of Public Works has in filling his establishment, I should be interested to learn how many of these officers were P.W.D. men.

I must emphasize again the importance of keeping the quality of the Civil Service top notch and this can only be achieved if our Engineers, Doctors, Educators, Police Officers and the like are given opportunities to keep abreast with modern trends and developments. The progress of science is so fast nowadays that we shall be in danger of finding ourselves served by men with archaic notions unless our Class I and Class II officers are given facilities to take study leave every few years. As I have already pointed out on other occasions, expatriate officers are granted generous home leave and so are in a position to refresh themselves at the fountains from which new ideas and practices flow. What is good for the goose must be good for the gander, and if we wish to have a uniformly good service, senior non-expatriate officers must be afforded opportunities to broaden their horizons and gain further experience.

In general, local officers feel that they are being discriminated against. The vexatious point of expatriation pay is always a thorn in the flesh, but so also is the difference in length of leave, leave being in some cases only half that of the expatriate of the same grade, doing the same work and with the same length of service. Housing allowances or perhaps I should say, lack of housing allowances for local officers, also produces grievances. An expatriate officer is granted furnished quarters by Government or at Government's expense while being charged a rental not exceeding one seventh of his *basic* salary. A non-expatriate must find his own housing. If he is fortunate enough to participate in a building co-operative, he usually finds himself having to set aside 25% of his *total* salary to meet the monthly payments. If he occupies a private tenancy he either has to accept accommodation quite inappropriate to his station or spend half his salary in rent. Neither of these contingencies is desirable, nor do they help maintain the prestige and standing of the officer concerned.

Government would do well to reappraise the whole question of amenities and to close the gap between the two.

I note with satisfaction, Sir, a 21% increase in the Budget for the Agriculture, Fisheries & Forestry Department. We are aware of the important work this Department is doing for the farmers and fishermen, and whilst it is appropriate for Government to expand important services, these in themselves are not enough. Much has been done to improve road communication, irrigation water supplies, marketing facilities and so on but no answer has been found to the problem of unrestricted imports of foodstuffs which at times glut the market and depress prices to such an extent that our farmers suffer greatly and are even forced out of business. Your Excellency referred to the hardships suffered by farmers in 1958 when prices for pigs, poultry and other primary produce were well below production costs. The position has now been reversed and the Colony's citizens are paying high prices for several items of food. It is this wide fluctuation in prices of foodstuffs which causes concern to the Colony. The farmer cannot plan his business along sound lines to obtain a steady reasonable income and the consumer, particularly our poorer citizen, is faced at times with prices well beyond his pocket.

It is a difficult position. We can only produce a proportion of our own requirements and must therefore import. Moreover it is not our policy (and rightly so) to impose restrictive measures or tax the citizen to provide subsidies for a minority group, however important that group may be. I feel that a partial answer to this problem may be found in expanding existing loan funds in order that larger loans may be given and the period of repayment extended. Worthwhile farmers should be permitted to expand and diversify their business in the manner suggested by Your Excellency when you spoke at the opening of the last Agricultural show. They should also be in a position to purchase the land they farm and in this way reduce their production costs by offsetting high rentals particularly of vegetable land. The present small funds are only capable to dealing with seasonal needs, they do not permit of farm development or diversification in such a way that costs of production are lowered and the farmer can accept lower prices in open competition with imported produce. I would therefore suggest that careful consideration be given to the expansion of existing loan funds or the institution of new ones to cope with this problem.

The past year for inshore fishermen has been beset with difficulties hitherto unknown, traditional inshore fishing grounds having been denied them. The plight of fishermen invokes our greatest sympathy and I hope Government has taken steps to give them positive relief and to offer them alternative methods of earning a livelihood. The curtailment of inshore fishing has brought about a virtual disappearance from

the market of fresh water and finer types of fish which the people favour. Apart from the coarser marine types which Chinese do not eat by choice, what fish there is on the market has risen sharply in price. Fish is the principal source of protein for the lower income groups who cannot afford to eat meat at every meal, and now they find that the types of fish they enjoy have become unobtainable or are far beyond their means, being even dearer than beef and pork—which they still can't afford. Fish is one food product that we should be able to develop to self-sufficiency or even export either directly or as processed food. There is a limit to our land resources but there need be no limit to our fishing operations in international waters. I would like to see a careful examination made into the possibilities of developing a deep sea fishing fleet based on Hong Kong with a scheme of assistance directed to this end. I know that some research will be necessary, but I feel it would be wise to focus our attention on this problem and if practicable move forward on a long term development plan. Much can also be done with some form of financial assistance to expand pond and oyster culture in the New Territories.

I note from the Estimates that \$1 million is being allotted to the Tourist Association. This seems rather a large sum for this organization and murmurs are beginning to be heard as to whether it is justified. It would help to still criticism if the Association would take the public into its confidence and issue a full report on the work actually done by the organization since its inception and how public funds have been spent.

We are all for tourism and every encouragement is quite rightly being given to its promotion. This is one of those industries that has great potential and promises benefits for all sections of our community. It may yet prove to be the life saver of the Colony. The recent approaches by certain airlines to introduce cheaper air services to Hong Kong should be welcomed as a means towards the desirable end of creating greater tourist traffic. Undoubtedly established airlines have fears that the implementation of these proposals may prejudice their own traffic, but I think their fears are over-amplified. The traveller who can afford present day services will continue to use the existing lines for he will not willingly sacrifice the extra luxury and comforts afforded thereby. The class of traveller who will be attracted to the cheaper service is the one who travels from Britain to Europe for his holidays but who cannot afford the present high fares to this part of the world. Cheaper air services will open wide new vistas to people who want a holiday that is different and with our favourable climate, I envisage plane loads of people coming to Hong Kong to get away from the notorious English winter. I hope Government will most favourably consider the applications of these cheaper fare companies.

The last subject I wish to speak on is a rather controversial one. On 15th July, 1953, the Honourable Colonial Secretary, speaking on the Landlord and Tenant (Amendment) Bill, 1953, said . . . the complete decontrol of all premises, both business and domestic still remains Government's ultimate aim, as and when circumstances permit.

The Unofficial Members of Council have reached the view that the time has come when this thorny question should be re-opened and the Landlord and Tenant Ordinance again reviewed. My Unofficial Colleagues and I feel that the control of lower class domestic premises must still remain, but that decontrol of business premises and higher grade domestic premises may now be feasible. Rents for pre-war business premises are still limited to an increase of 150% of the pre-war rent and as the percentage of property of pre-war vintage grows lower and lower, these bear smaller and smaller relation to realities. In other words, they are not true economic rents. In regard to domestic premises, you, Sir, in your address on the Budget indicated that 50% of all domestic accommodation in the urban area is of post-war construction. Accommodation of higher grade is nearing sufficiency and such premises could well be decontrolled now. Until lower grade domestic units reach greater proportions, however, we would not be willing for standard rents of these premises to be touched in any way.

Hand in hand with decontrol should be the imposition of rates on all new premises 6 months after completion. It is a well-known fact that many new premises remain empty months—sometimes years—after completion, owners holding out for high rents or outright sale. With so many crying out for accommodation this situation is nothing less than ludicrous. If such owners were faced with a demand note for rates soon after the building operations are completed, they would be forced to let their premises for a more reasonable rent and so help to solve the housing conundrum.

And before I resume my seat, Sir, I hope I may be permitted to express a sentiment that is in all our hearts—the gratitude we feel that H.R.H. the Prince Philip, Duke of Edinburgh honoured us by including this small Colony of Hong Kong in his present itinerary, and the happiness his stay among us brought to all.

Sir, I have pleasure in supporting the motion before Council. (*Applause*).

MR. C. E. M. TERRY: —Your Excellency, I support what my honourable Friend the Senior Unofficial Member has said by way of commendation to the Honourable Financial Secretary on his presentation of this very realistic Budget. In particular, I think, he is to be congratulated on his reliance on our Reserves in the unlikely event that the estimated deficit should materialize. The fact that we can do so with confidence is a complete justification of the policy followed over the

post-war years of building up these reserves, and I particularly welcome the Honourable Financial Secretary's reference to the further policy of shifting part of the financial burden of development to the shoulders of the rising generation who will be the beneficiaries. Although budgetting for an estimated deficit of \$87 millions (now increased by the Select Committee to \$92½ millions), he has not only refrained from increasing taxation but has taken the opportunity to eradicate some existing taxation which was more nuisance than it was worth. This is a sign of confidence which we all share, and is in striking contrast to our neighbouring territory of Singapore, where to meet an estimated \$21 millions budget deficit in an expenditure of \$264 millions for 1959, the Government has increased the already comparatively high company and income tax and raised the duty on imported cigarettes and tobacco.

As a signatory to the Report of the Public Works Sub-Committee, and to the Report of the Select Committee on the Estimates which has been tabled today, it is obvious, Sir, that I support the motion now before this Council. The remarks which I now propose to make are therefore not criticism of the Estimates but are by way of general comment on some aspects, although for the sake of formality I will endeavour to relate them to specific heads.

On Page 217 of the Estimates is shown a net increase in the permanent staff of Government of 5,111. The Comparative Statement of Recurrent Expenditure shown on Page 218 shows an estimated expenditure on Personal Emoluments of \$244½ millions, which is nearly forty percent of the total recurrent expenditure for the year; if one adds the \$91½ millions under "Departmental Other Charges Annually Recurrent", the cost of Government looms large. We accept the fact that it must be so, but we expect that these continuous increases in the numbers of Government servants shall be reflected in increased efficiency. It is a fundamental law of commerce that the purchaser expects to get what he pays for. In this case, the purchaser is the Hong Kong taxpayer and although we are not bargain hunting, we do expect value for our money. Generally speaking, Sir, we get it, but there have in the past been occasions on which we have bought a pig in a poke and on removal of the poke, it has been quite apparent that the pig has not been a product of the Kadoorie Agricultural Aid Association!

On the subject of increase in staff, I am pleased to note provision under Head 28, Public Works Department, for an additional Deputy Director of Public Works. The explanatory note states that this post has been created to assist the Director in the general administration of the Department, and to co-ordinate the work of the Building and Land branches. I hope that the creation of this post will indeed relieve my honourable Friend the Director of the necessity for his attendance on some statutory bodies, and enable him to give his full attention to the multifarious duties of controlling the many and wide ramifications of

his Department. I still believe that this Department is too large, and that the ultimate solution for full efficiency will be found in the policy which I advocated in this Council last year of division into separate departments.

I now turn to Head 15, Legal Department, and to the paragraph in the Select Committee's Report under that Head recommending the establishment of two additional posts of Crown Counsel. It is a matter of historic record that in 1844 one of the first Ordinances passed by the newly constituted Legislative Council was described by the Secretary of State as "unintelligible without some report explanatory of the motives and of the results anticipated from it" (I quote from Endacott's History of Hong Kong, Sir, at Page 49). Well, it would seem that anything they could do we can do better. When the Bill to amend the Estate Duty Ordinance was introduced in this Council in October last year, despite clear Objects and Reasons and a lucid explanation by the Honourable Financial Secretary, even the experts were confounded; the Hon. F. S. himself found several of the clauses almost incomprehensible. Even such a distinguished lawyer as my honourable Friend M. W. Lo found himself in the same boat. Although this was a striking example of what for want of a better term I will call legal gobbledegook, it is by no means an isolated one and I do suggest most earnestly that our laws should be framed in such a manner that the general public can understand their meaning and even lawyers can agree upon it. It is the duty of a citizen to know the law, and ignorance of the law is not accepted as an excuse. That well known dictum of Lord Justice Hewart that justice must not only be done but be seen to be done has become almost a cliché, but how can you expect a citizen see anything if you ask him to look through the wrong end of a telescope composed of distorting lenses? I do press for simplification in the drafting of our laws. After all, the ten laws which have governed men's conduct for thousands of years confined themselves to "Thou shalt" and "Thou shalt not", and English is still the best medium for saying what you mean and meaning what you say. Ambiguity in the wording of the laws inevitably leads to litigation, invariably prolonged, and a consequent waste of both public and private money. I also suggest that more consideration be given when drafting our laws and regulations to their application to the needs and circumstances of this the Colony to which they apply. There should be no lifting holus bolus of clauses out of United Kingdom legislation for insertion without requisite amendment into our own Ordinances. It will be appreciated, Sir, that in these matters I speak only as a layman. I am informed by one far more qualified than I to speak on a subject such as this but unfortunately not present today, that legal drafting is a specialist side of the profession—this I can well believe and I express the hope that the two extra posts provided in my honourable Friend's Department will assist him in this direction.

Passing from the drafting of laws to their enforcement, I endorse Your Excellency's tribute to the Police Force and its able Commissioner. I am perhaps in a better position than most to appreciate the traditions which have been built up over the years because my first five years in this Colony were spent as a member of that Force. I did not think much of it at that time, but now we have a Force comparable with any in the world and infinitely better than many other Forces. I know that my Unofficial Colleagues will join me in wishing the Commissioner well on his impending retirement and in expressing our confidence that his successor will continue to maintain and strengthen the fine traditions of that Force. In any such body, there are bound to be bad hats just as there are bound to be those who "dressed in a little brief authority" seek to exceed their powers vis-a-vis the rights of the citizen and others who through laziness, ignorance or inaptitude fail to exercise properly the powers and duties with which they are entrusted. I know from personal experience that in the Hong Kong Police Force such officers are rare but they do exist, and no one man's efforts can eradicate them. The public as well as everyone in the Force from the Gazetted Officer down to the constable on the beat must play their part, but I feel that the most important link is that of the "middle piece"—the Inspectorate. On them devolves the responsibility for instructing their subordinates both by precept and example and I am sure that responsibility will continue to be effectively discharged under the new Commissioner.

No matter how efficient the operations of the Police Force may be, Sir, they become ineffective unless adequate punishment is meted out of those wrong doers who are brought to justice. The Honourable the Chief Justice in his comprehensive review at the Opening of Assizes this year referred to our two major menaces—the Triads and the traffic in Narcotics. The Police Force have achieved astounding success in their battle with the first of these, and with the increasing co-operation which the fear-free public are now showing, should go on to still greater success. The second menace however, with its world wide ramifications and its tremendous potential pecuniary gain will never be beaten unless and until the real trafficker receives punishment more commensurate with the crime. The United Kingdom Home Office Committee on Corporal Punishment in 1938 came to the conclusion that the weight of the evidence was in favour of the view that it was not essential in the interests of society to retain corporal punishment as an additional deterrent. I have never fully agreed with that conclusion even as regards crimes of violence, but I feel reasonably convinced that had the members of that Committee been confronted with some of the end results of this filthy traffic in narcotics and seen at first hand the human degradation to which it leads, they would have excepted from their conclusion the perpetrators of this foul crime, a crime which it is no exaggeration to describe as mass murder—murder of the human mind, soul and body.

I realize that an attempt to turn back the clock in this respect by reintroducing the "cat" for such malefactors stands little chance of success, but I do most strongly urge that the full penalty of the law as it stands should be applied vigorously to those, not themselves addicts, convicted of organizing or participating in this dreadful trade solely for monetary gain. If the law as it stands does not provide adequate penalties, then let us by legislation increase them.

Turning to another facet of legislation, I support the view expressed by my honourable Friend Dr. S. N. Chau that what he described as the "thorny question" of the Landlord and Tenant Ordinance is ripe for review. This is not the time to debate the merits or demerits of the Amending Bill which had its first reading in this Council on 8th August, 1956; in fact, I think that Bill should be considered a dead letter, but the principle of ultimate decontrol of all premises as and when circumstances permit, expressed in 1953 and reiterated by the Honourable Colonial Secretary in 1956, is still not open to serious question. My views on this subject are substantially the same as those I expressed in the Debate in 1953. Now, six years later, it is more than time the question should be reviewed in the light of present circumstances and of the information made available in the very comprehensive report of the special Committee on Housing laid on the table of this Council on 17th December last year. One of the analects of Confucius says in effect "To see what is right and not to do it is want of courage. ". I do not believe that this Government is lacking in that quality.

In conclusion, I refer to the final remarks of my honourable Friend the Financial Secretary when introducing the Estimates, and I make no apology for quoting them in full because they bear repetition. He said: "This Colony of ours, with no natural resources other than its harbour, and the readiness of its people to work hard, has, since the war, built for itself a position where it is an object of admiration, and indeed of envy, not only in the East, but even further afield. Our people have dealt with their problems—and they have been many and serious—calmly and competently as they have arisen, with little help from others, and often with little sympathy from outside. The volume that lies before each honourable Member contains, summarized on Pages 6-8, the financial record of the Colony. May I express the hope that this record may also be considered to be one of which we have no reason to be ashamed.". This not only bears repetition but I say as Tony Weller said to the Judge: "Score it under My Lord.". Then let it be circulated to all members of Her Majesty's Parliament in England so that they may be aware that we are not standing in a bread line, cap in hand, for a dole. On the contrary, we have pulled ourselves up by our own boot straps and reestablished our economy by our own efforts, playing at all times our part in the Commonwealth. In Your Excellency's opening address, you referred to the recent undertaking

with the United Kingdom Cotton Board as in recognition of our honourable ties with the United Kingdom. Those ties we value and have always valued, and we have continually endeavoured to honour all our obligations under them. It is not therefore unreasonable for us to expect from Her Majesty's Government reciprocal acceptance of their responsibilities and obligations to us, and to let it be known that we will not gladly accept the role of political football, whether the politics be national or international. It is perhaps not out of place to quote here the words of no other than the Vice-President of the United States on his recent visit to Great Britain when he expressed his admiration for "the dedicated and effective work of your superb Colonial Administrators" and he added "You can indeed be proud.". (*Applause*).

MR. NGAN SHING-KWAN: —Your Excellency, when replying to the points raised during the Budget Debate last year, my honourable Friend the Financial Secretary mildly admonished Unofficial Members for their apparent lack of concern over the anticipated deficit of \$94 millions. It was, of course, not so much a matter of lack of concern as confidence in my honourable Friend, and his ability to balance the budget if not produce a surplus. That this confidence was not misplaced is amply illustrated by the revised estimate for the current year, but it will not have escaped notice that the anticipated surplus of \$50 millions is almost precisely the amount underspent on Public Works Non-Recurrent. I must, therefore, start by endorsing the note of caution running through the addresses of both Your Excellency and the Financial Secretary. We have grown accustomed to our accounts showing a surplus each year, but there is no justification for assuming that this state of affairs will continue indefinitely, and good reasons have been advanced why the coming year may see a turn in the tide. On the other hand, I am inclined to think my honourable Friend may have erred on the conservative side in his estimate of revenue. He expects to collect less than this year, but there has not been a single year since the reoccupation when revenue has failed to exceed that for the previous twelve months, and it would indicate a marked change in our financial circumstances if his estimate should prove correct. Fortunately, we still have reserves, but I agree that these do not appear quite so substantial in the face of our colossal programme of Public Works.

In considering the estimates for the coming year one looks firstly to the major problems of water, education, health and housing. The very full programme to which we are committed in all these fields, and indeed in virtually all aspects of Government, leaves little scope for criticism, and I cannot recall a year when the Budget has aroused less comment. The main problem seems to be whether or not the Colony can produce the revenue to pay for all the schemes in hand, and, in the face of such an extensive programme, it was rather unexpected that the Financial Secretary should see fit to abolish the tax on

proprietary medicines and toilet preparations, particularly in view of the small saving in staff resulting therefrom. He left the way open—on a now or never basis—for Unofficial Members to recommend the retention of the duty, but, as he pointed out, it is a tax that effects all classes and its abolishment should mean a small, but nevertheless real saving to persons in the lower income group, and I, therefore, support his action.

Education is progressing steadily, and Your Excellency's frank acknowledgment of the need to prepare for an expansion in secondary education is warmly welcomed. As I mentioned last year, the ratio of secondary to primary school places has been adversely affected by our aim of providing primary education for all, although this was foreseen, and the Education Department has of necessity been advancing in stages. One problem common to both primary and secondary schooling is the shortage of sites. This forces us to think only in terms of school buildings, relying largely upon public parks and playgrounds to provide the recreational facilities essential to a healthy school life, and it has occurred to me that the military lands at Causeway Bay, adjacent as they are to Victoria Park, would make excellent sites for schools. I suggest that here is another instance where Government might seek the co-operation of the Services in releasing land in the urban area that is badly needed for public purposes.

One very commendable feature of the Education estimates is the provisions that are made each year to enable students in less fortunate financial circumstances to continue their studies at the University and Chinese Post Secondary Schools, or to train as teachers. Two such provisions for the coming year show an increase on those for the previous twelve months, but I would say that Government is not overgenerous in the matter of scholarships and bursaries, and we should consider increasing the sums allocated for this purpose. The student who depends on financial help to further his studies is more likely to put to practical use the knowledge gained by higher education, than the more affluent scholar, who in some cases is primarily concerned with obtaining a qualification for purposes of prestige.

With the publication of the Final Report of the Special Committee on Housing, the extent of this problem becomes fully apparent, and it is clear we must plan for long term development on a scale not hitherto fully visualized. The formation of a Development Division to plan and carry out the major engineering works associated with the opening up of new areas for residential purposes was a proposal that received ready acceptance by Government, but the division has been slow getting started. A considerable period will elapse before we reap the benefits of establishing this new branch of the Public Works Department. Meantime, we must look to the Housing Authority and Housing Society to develop the sites that can be made available in the near

future and I, for one, will not quarrel with the Financial Secretary's proposal to transfer \$25 millions from the surplus for the current year to the Development Fund, where it will almost certainly be used for housing. I was especially pleased to note that one of the schemes about to be undertaken by the Housing Society at Kai Tak aims at providing accommodation for families with monthly incomes of less than \$300, to which point I have referred on previous occasions. The Society is to be commended on taking the initiative in tackling this problem. Having regard to the average wage rates of the Colony's skilled and semi-skilled labourers, as mentioned in the Annual Report, there must be many working-class families, who are not squatters and, therefore, not qualified for re-housing under the Resettlement programme, who are at the same time barred from applying for accommodation in the low-cost housing estates, by virtue of the fact that their family incomes are under \$300 per month. The housing prospects of these "inbetweens", as they might be called, do not seem very bright at present, and I hope to hear that the Housing Authority also intends to cater for this wage group.

The Public Works programme is an extensive one and I propose to touch upon only two points. The first concerns the Naval Dockyard and the military lands at the foot of Garden Road, which have either reverted or will revert to Government under the agreement reached last March. Has a decision been taken as to the new layout for the Queen's Road/Garden Road/Murray Road junction? We were informed last year that this was dependent upon the survey to be made by the Head of the Traffic Section of the United Kingdom Road Research Laboratory, and I understand that Dr. Charlesworth's report has been in the hands of Government for some months. I raise this matter because in turn dependent on the design for this junction is the question of redeveloping Murray Parade Ground, and we do not want to see this valuable site, which was surrendered after many years of negotiation, lying idle longer than necessary. It would seem also that Government should know by now the extent of the area to be vacated by the Naval Authorities when the run-down of the Dockyard is completed. Here again we have some very valuable land part of which will presumably be made available for development by private enterprise, and, in this connexion, I trust there will be no departure from the established practice of sale by public auction. It is to be hoped that Government will make known its overall plan for the development of the Murray and Naval Dockyard areas in early course.

The second point I wish to raise in connexion with Public Works concerns the new vehicular ferry service. In December last year the decision was finally taken that this service would operate between North Point and Kowloon City, and motorists breathed a sigh of relief at the prospect of an improvement in existing conditions. I see, however, that the estimates for the coming year provide only a token

vote of \$50,000 for the construction of two piers costing in the region of \$9 millions, and at this rate of progress it is going to be several years before the new service comes into operation. I would, therefore, ask my honourable Friend the Director of Public Works if he is satisfied that all reasonable steps are being taken to press ahead with this project. It is particularly disturbing to see the long queues of lorries stretching along the waterfront from the Vehicular Ferry Pier, sometimes as far as the junction of Des Voeux Road West with Connaught Road. Foodstuffs comprise a large proportion of the goods carried by these commercial vehicles, and the time wasted crossing the harbour must add to costs. Private motorists are also being seriously inconvenienced at weekends, and every effort should be made to get the new service started as soon as possible.

A somewhat disturbing feature of the estimates is the huge increase in establishment—my honourable Friend Mr. Terry has referred to this. Nine thousand new Government servants in two years must constitute another record, although not one of which we should necessarily be proud. Assurances have been given in the past that all applications from departments for additional staff are very carefully considered, and I accept that as still being the position today. I must admit that departments invariably make out a good case when seeking approval for additional staff by Special Warrant during the course of the year, but there is not the same opportunity for Unofficial Members to study in detail the merits of each case, when faced with a block request for the approval of several thousand new posts provided in the annual estimates. Reliance is placed on Government's own system for checking such applications, and a series of budget surpluses must not allow us to lose sight of the need for economy in the cost of the administration. The Colony is developing, and I have no doubt that Heads of Departments have been able to put forward good reasons why they should have more staff, but I would urge them during the coming year to check that all their subordinates are both actively and usefully employed. They should also be on the lookout for ways and means of improving efficiency and productivity, and instances of extravagance and waste must be eliminated.

My honourable Friend the Senior Unofficial Member, has spoken on the difficulties confronting our fishing industry and I also wish to refer to this problem. Marine fish is our main primary product and latest estimates indicate that some nine thousand craft with over eighty thousand fisherfolk are operating from the Colony's fishing centres. They are endeavouring to make a living for themselves and at the same time helping to meet the nutritional needs of the community. They are engaged in one of the few industries that are not affected by our acute shortage of land, and make no call on Government for the provision of costly building sites, or for the miscellaneous services such as roads and drainage associated therewith. There is also a ready outlet

locally for all the fish they can catch, and no necessity to send trade delegations to search for new markets. Yet a glance at the recently published Annual Report shows that 1958 was not a good year for local fishermen. Problems arose regarding the use of traditional inshore fishing grounds, and this resulted in craft being laid up in our harbours whilst we were importing fish from other sources. There were even instances of fishermen being forced to seek employment ashore, when they should have been helping to supply our markets with food. The question arises, therefore, if it is not possible to render greater assistance to the fishing community, and help develop an industry beneficial to the Colony as a whole.

One approach to the problem lies with increased mechanization and the introduction of new craft designed for distant-water fishing, in order that less reliance need be placed on catches from inshore fishing grounds. This must be a gradual process having as its essential element the provision of adequate financial backing. The fund that was set up with a grant of \$800,000 from the Colonial Development and Welfare Fund for the mechanization of fishing craft is limited to loans not exceeding \$10,000, and mechanization to date has tended to centre around the small inshore fishing craft. But, at the end of March, 1958, the number of native type deep-sea trawlers that had been fitted with engines was only seventy-six out of some three hundred such craft believed to be operating from the Colony's fishing centres. This is not perhaps surprising when one considers that it costs in the region of \$100,000 to convert a pair of deep-sea trawlers from sail to diesel operation. We have, thus, concentrated on mechanizing our inshore craft, when, in the light of present-day conditions, it appears that more emphasis should be placed on the problem of obtaining supplies from distant-water, international fishing grounds.

There is another Fund, operated by the Fish Marketing Organization, which loans money to individual fishermen or to Fishermen's Thrift and Loan Societies, but the amount available is again only about \$800,000. Furthermore, this money is part of the accumulated surplus derived from the commission on sales through the Fish Marketing Organization, and is loaned for various purposes not exclusively for craft improvements. It will be seen, therefore, that the financial assistance at present available to the fishing industry is confined to loans from the Colonial Development and Welfare Fund grant, or from the Fish Marketing Organization's Fund, and that Government does not make any direct contribution in the form of loans for mechanization or new craft. Assistance is, of course, rendered in other ways, and the report of the Director of Agriculture, Fisheries and Forestry reveals that the Fisheries Division has been experimenting for some time with means of improving locally built wooden vessels, with the intention of encouraging distant-water fishing. Thus, Government has very commendably taken the lead in demonstrating to our fishermen how they may

improve their craft and methods to the mutual benefit of themselves and the community. But new craft and mechanization of deep-sea junks requires capital expenditure beyond the resources of owner-operators or existing loan funds, and the fishing industry must look to Government for financial assistance, if it is going to expand its activities in the distant-water fishing grounds, as present conditions indicate it should. The question of security naturally arises, but the Fish Marketing Organization has considerable experience in the matter of loans and has, I understand, developed a system affording reasonable safeguards for checking applicants, mainly on the basis of their catch returns to Hong Kong over a number of years. Furthermore, in the case of Fishermen's Thrift and Loan Societies, there is the added security of a loan not to one individual, but to the members of a cooperative, who are jointly responsible. The fact that commercial firms have sold engines to fishermen on credit to the value of over \$3,000,000 during the past five years is also an indication of the trust that may be placed in them.

Hong Kong has the largest fishing fleet in the Colonies. We have experienced crews, who have known no other life since birth, and with our swollen population there is a ready market for all the fish they can catch, but times change and better craft are needed for fishing in distant, international waters. Here, surely, is an opportunity for Government to come to the aid of a local industry, at the same time ensuring a regular supply of fish to our markets and price stabilization.

Finally, Sir, I would like to refer to the visit some ten days ago of His Royal Highness the Prince Philip, Duke of Edinburgh. Events are still too fresh in our minds for me to need dwell on the outstanding success of this occasion. It will suffice for me to say that the warmth of greeting accorded our royal visitor by persons from all walks of life and the concern and interest which His Royal Highness showed in the activities of Hong Kong and its people have made a deep and lasting impression. It was, Sir, a visit which should be commemorated in some tangible form, and in view of the great interest that the Prince has always shown in youth welfare, I suggest it would be most appropriate to seek permission to name the new park at Kowloon in honour of His Royal Highness.

With these remarks, Sir, I have pleasure in supporting the motion before Council, and add my own congratulations to those already extended to the Honourable Financial Secretary on his very capable handling of our finances. (*Applause*).

MR. KWOK CHAN: —Your Excellency, twelve days ago we had the honour of welcoming His Royal Highness The Duke of Edinburgh on His Royal Highness' visit to Hong Kong, and the whole Colony was filled with an air of cheerfulness and felicitation, unparalleled in the

history of this Colony. This Royal tour demonstrated to us the intense interest in Hong Kong Her Majesty's Government is taking, and has done much to consolidate the general feeling of confidence we have in the future of this Colony, our home.

Sir, it is from this strong confidence that Hong Kong draws its vitality. This Royal visit, coupled with Your Excellency's re-assuring address at the last meeting of this Council three weeks ago when the budget was presented, will add impetus to the efforts of the citizens of Hong Kong in all walks of life to make this Colony a place of constant progress and one in which we can justly take pride.

Sharing in this vein of confidence I think I have some justification in keeping my address short, particularly when my honourable Friend, the Financial Secretary, has again presented a budget in his usual masterly manner, on which he has already been deservedly complimented by my honourable unofficial colleagues. With all that they have said I gladly associate myself.

In the past year development in Hong Kong has continued in many directions and the growth of our population has at the same time continued at a somewhat alarming rate. It becomes inevitable therefore that we find the Colony's expenditure soaring from year to year, with each year's budget constituting a record. We have the many public services to be maintained, and in many cases extended, but whatever we agree upon to spend I only hope those responsible for the spending will try their best to exercise reasonable care in spending, (if I may be allowed to borrow the actual words used by my honourable Friend, the Financial Secretary, in his address last year) what is actually public money.

Your Excellency has again referred to the water position which you, Sir, mentioned in your address last year. We accept the opinion that the new Shek Pik project will not end our chronic and acute water shortage, and that we shall have to take important decisions later on new schemes. In fact I urged Government in my speech last year to consider the introduction of desalting of sea water as a means to relieve our water shortage. Many of us still have vivid memories of the water famine in Hong Kong some thirty years ago brought about by a prolonged drought; of how storage tanks were quickly erected along the sea front, and how water was brought in by ships from nearby ports. It is interesting to note that the population then was well under the million mark.

The rate of consumption—a daily average of 47 million gallons—in our near 3-million population is high and is sure to remain high when we reckon the large annual natural increase of population represented by the number of births over deaths, which rose from 78,529 in 1957 to 86,070 in 1958. The water position will therefore remain

to be acute even when the rainfall is normal. I think we are now satisfied that we cannot rely entirely on reservoirs, or keep on building them. We have to find ways of producing fresh water from what we have in abundance—the sea water around us—rather than depending solely on collecting from our uncertain rainfall.

As a result of intensive research, production of fresh water from sea water has now been made practicable on large scale operation at a cost no longer prohibitive. In fact I understood that there are now many places in the world already using this new method to maintain their water supply. What I believe we can do, (and in saying so I am speaking purely as a layman) is to have a plant in readiness capable of turning out fresh water to supplement our water supply when the necessity arises.

My honourable Friend, the Director of Public Works, assured us last year that Government was energetically investigating all possible means of converting sea water into fresh water, including the employment of atomic power. I hope it will not be long before some concrete proposals can be put forward for consideration to enable early decisions to be made to deal with this important and urgent matter of water shortage. A project of this kind may take years to complete and it would not be unwise for us to bear in mind the famous English proverb, "make hay while the sun shines."

In referring to the question of reducing the Business Registration fee last year I urged 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. Although my honourable Friend, the Financial Secretary, in his reply was unable to agree with me that legislation should be speeded up in view of the danger of unsatisfactory drafting, he has nevertheless promised that consideration will be given to the suggestion that the new scale of fees shall be applied as from the beginning of the financial year.

It is to our knowledge that it has entailed a lot of time and extra work for the staff to chase after, or to trace defaulters of payment of business registration fees, and in a number of instances it ended up with a write-off. To make the fee payable retrospectively from the beginning of the financial year, without waiting for the introduction of the necessary legislation, was intended to be a concession which will benefit the small businesses. In view of the fact that new legislation has been passed and that a flat rate of \$25 and the date of commencement have now been decided, general satisfaction should be felt by all concerned.

Your Excellency has drawn attention of local industry to certain weaknesses: in particular to insufficient diversification, under-capitalization, and over-fragmentation.

The Hong Kong Commercial Mission which I had the pleasant privilege of leading to Caribbean countries last year, and on which Your Excellency has made such kind comment, came to conclusions bearing out substantially Your Excellency's points, and I earnestly hope that those interested will give serious consideration to these weaknesses if they wish to keep Hong Kong industry at a high standard.

Furthermore, I would like to impress upon all merchants trading under the flag of Hong Kong, both Chinese and non-Chinese, always to bear in mind the importance of maintaining the correct standard of quality required and upholding our tradition of high ethical standards of trading. It is astonishing to find how a careless slip can so easily lead to unhappy consequences, which may turn out to be unfavourable not only to the party directly involved but to the general reputation of Hong Kong as a trading centre. A number of cases of this nature were brought to our notice in the course of our mission and I hope that this matter will be given careful consideration and that efforts will be made to prevent any further occurrences. I know that in this respect the Department of Commerce and Industry is exercising strong penalizing measures, but in order to achieve the best result it is necessary to have the full co-operation of all parties concerned.

The Report of my Caribbean Mission is now in the hands of the Director of Commerce and Industry, and copies have been made available to the Hong Kong General Chamber of Commerce, the Hong Kong Chinese General Chamber of Commerce, and the Chinese Manufacturers' Association of Hong Kong, who were partly responsible financially for sponsoring the Mission. Merchants who might be interested in reading the report can of course approach their respective chambers or association.

In my mission I had occasions to tell people of high standing in the countries I visited that Hong Kong has a population of almost three millions crowded into an area of some 400 square kilometers. They were naturally surprised at first, but then they begin to understand why the people of Hong Kong had to be so hardworking and why it was so essential to keep up our industrial production and external trade. The large population, including thousands of refugees, has to be cared for, in more ways than one, and services have to be provided to help them, all the time depending on our own resources. Hence the big increase in expenditure and the need for external trade to be maintained. One can imagine why any suggestion of curtailing our export, which means in turn cutting down our industrial production, should find disfavour.

The proposal to enlarge our trade with Australia and to open a trade office next August in Sydney is a step in the right direction. In considering, perhaps at some later date, opening similar offices in other

parts of the world we should not lose sight of the potentiality of the American market and of the value in having an office either in San Francisco or Los Angeles.

Your Excellency, your commendation on the work of the Commerce and Industry Department is indeed well-founded. As one who served on the Trade and Industry Advisory Committee since it was first formed in January 1954 until it was reconstituted as a Board recently I had been able to keep in close and constant contact with the department and it was possible for me to follow closely its many activities. I am in a position to say that this department fully deserve Your Excellency's commendation.

Sir, in associating myself with the tributes paid to our Police Force by Your Excellency and my honourable Unofficial Colleague, I would like to be noted the very important part played by the Immigration Authority in the promotion of trade and tourism which facilitates business and tourist travels.

I have also listened to what Mr. Terry has said on the enforcement of the law and I fully endorse his remarks. I want also to support his plea for full penalty to be applied vigorously to those convicted of offences connected with what Mr. Terry rightly termed the two major menaces—the triads and the traffic in narcotics. The well-being of the community has to be safe-guarded and in doing so strong punitive measures against evil-doers have to be drastically employed.

Another matter that calls for serious attention is the large quantity of pornographic literature found in many Chinese journals and publications. The effect on the youth of the Colony is only too obvious, and the increasing number of cases of sex crimes, in which juveniles were sometimes involved, certainly add to our deepest concern. I strongly urge Government to take appropriate steps to eradicate this source of venomous influence.

Sir, before I conclude I would like to mention two of your high ranking administrative officers whose jobs bring them into close and constant contact with the Chinese community. The quiet and conscientious manner, without being in any way spectacular, in which the Honourable, the Secretary for Chinese Affairs, and the District Commissioner for the New Territories, go about their work deserves special praise. From what I can gather they are greatly instrumental in bringing about a closer and happier relation between Government and the Chinese within their respective spheres of administration. In congratulating them on their fine achievements I am not forgetting that it is the result of Your Excellency's wise choice.

If I single out in this manner these two departments, it is only because I happen to be in a position to know and to appreciate how much they are doing to keep smooth running the relations between

government and governed. The known and generally agreed upon efficiency of all our departments of Government will protect me from any charge of invidiousness.

Sir, with these remarks I beg to support the resolution. (*Applause*).

DR. A. M. RODRIGUES: —Your Excellency, in your Excellency's brilliant and exhaustive analysis of the affairs of the Colony, tribute was paid to the general spirit of optimism which prevails against all hardships and setbacks. This noteworthy outlook that is manifest among the people of Hong Kong is but a reflection of the confidence which they have in Your Excellency's leadership and in the efficiency of your administration.

The budget before us typifies that which is characteristic of Hong Kong. It is without the spectacular, but affording some relief, and, behind the mass of figures one can discern quiet confidence in the future, as well as a significant and progressive achievement in the past.

As my honourable Friend the Financial Secretary so aptly put, in his eloquent resume of the finances of the Colony, the post-war record gained by our own efforts, is one of which we have no reason to be ashamed. I would add further that we are conscious and appreciative of the significant part he has played in this achievement.

I am pleased to note that the fluoridation of our water supply will be started soon. The La Salle College problem appears to be solved, theoretically at any rate, so my accusing finger (to which the Honourable the Colonial Secretary referred last year) need not be raised on these issues.

Hong Kong has faced many difficulties and been presented with many problems in these post-war years. No one can deny that many of these problems still remain, but it will be reasonably correct to state that we have successfully cleared the main hurdle of re-organization and adaptation. We have seen the birth of our industry, a change in the nature of our entrepot trade and it might be said that the pattern of our economy is now set. We are also in a better position to assess our future requirements with regard to housing, education and health, as the increase in our population whether natural or otherwise lies at a calculable figure.

Your Excellency has recently emphasized that it is not enough to contain our problems, but that we must master them. It is this policy that must govern our actions in the coming phase of the Colony's post-war developments. To master our problems, forward planning is essential and it must be co-ordinated in every aspect. Long term planning must precede proper development, and I must touch on this subject. My honourable Friend the Financial Secretary has drawn the attention of honourable Members to the list of items under the Public

Works Non-recurrent Head and to the report of the Public Works Sub-committee to show that there is a lot of planning by Government. I shall not take issue with my honourable Friend as this is not the sort of planning I have in mind. In the past years, in budget speeches, honourable Members have deplored the fact that there is insufficient long term planning. The official replies given have been as follows;

1956 . . . . . "If there is too much planning, Sir, which might be the case were a large planning department set up, it is doubtful whether the Colony could afford to implement the proposals, or whether the public would tolerate the disturbances which enforced planning would create. If on the other hand *there is too little planning, as may be the case at present, development is likely to be retarded or proceed along undesirable lines.*"

1957 . . . . . "It is true . . . . that the officer transferred to the new post of Road Planning Engineer last year, had to be *taken off the preparation of a master road plan after a few months' work.* This was made necessary by the urgency of providing roads and drainage for new resettlement schemes as otherwise these vitally important projects would have been seriously delayed . . . . A study is now being made of the priorities allocated to the Public Works Programme with a view to making possible the return of the roads planning engineer to his duties in the planning section . . . . *Additional posts . . . . have been asked for* and included in next year's estimates but recruitment may be difficult."

1958 . . . . . "*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 . . . . 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.*"

It appears that there is even insufficient planning for planning staff. This should be a department of full time staff, fulfilling work commensurate with the need for constant and pressing land development, and co-ordinated community projects.

In the estimates before us, I note the provision for additional planning staff in both the Crown Lands and Surveys Office as well as the Development office. I trust that when these posts are filled, these new officers will be left alone to devote their time fully to planning. It has been said that "Planning and speedy action are uneasy yokefellows." But I cannot see this as enough reason to shun from longterm planning, for given an overall plan, if speedy action is required on any specific part of the main plan, there is merely an alteration in the priority of implementation without affecting the physical part of a

project; in fact, this is added reason in favour of forward planning to avoid development proceeding along undesirable lines. The Department of Education stands out as a good example where forward planning has paid dividends. If the head of this department had not relentlessly adhered to the planned programme for primary schools, which was prepared many years ago, Your Excellency would not have been able to state that we are steadily approaching the time when we can say that there is a place for every child in the Colony.

I support my honourable Friend Mr. Ngan regarding the preparation of plans of the Military lands and Dockyard area. I believe that the report of the roads expert is awaited as it may have a bearing in the layout. Another decision, that regarding the Kowloon Star Ferry Concourse, is being delayed by the report of the expert on the Railway Station siting which has not yet been 'laid on the table.' May I express the hope, Sir, that these two reports will be in our hands soon?

The Special Committee on Housing are to be congratulated for their excellent report, which has, besides the sound recommendations made, many valuable statistics and figures showing the extent of the investigations they have made on this problem of housing. Their recommendations will I am sure go far towards helping us to solve this problem.

Your Excellency has referred to the marked overcrowding in houses. At a time when the housing shortage was very acute it was natural that considerations of density of populations and of minimal standards of space were impractical but I feel that the time has come for us to take a stand. The Committee for Housing has made recommendations regarding cubic footage of space per person which I consider should be adopted, especially in the new houses. As for density, if a high maximum were allowed in the built-up areas, this would not reduce development, but, worked in with a system of zoning would enable a gradual decanting of population towards the lesser crowded areas. If we do not make a start now, we probably never will, or even if we do so later it will be more difficult to enforce.

My senior Colleague Dr. Chau has mentioned the satisfactory reduction in the death rate, among children, from tuberculosis. Reduction of the overcrowding will help further, not only in reducing the number of fatal cases but the spread of the disease in adults as well. It is also an accepted fact that many cases which have been discharged from hospital as cured show a relapse rate attributable to a return to the former unhealthy environment. We are resettling the squatters but in the hilly districts, I would say that they live in healthier surroundings than many of those in tenements sleeping under dark stairways or in dingy corners.

I fully endorse all that has been said by my honourable Colleague regarding polio, diphtheria and school health. If we are to improve our standard of health we must necessarily start with the young. In our present position Hong Kong cannot afford to be a welfare state nor do I think it desirable or practical that we have a full National Health scheme. Yet on the social side, thanks to close co-operation between Government and private bodies a lot is being achieved. I am of the opinion that a similar relationship could be encouraged in the medical services and more, I am sure it will be practical to engage medical practitioners to bolster the Government service. I urge that consideration be given to the expansion of the school health service with the help of non-Government doctors so that eventually all school children may be served. It may be a departure from established practice requiring considerable organization but I am sure it will be well worth the trouble.

I have said that it would be impractical to have a total state health service, but the present state of affairs leave so much to be desired. A great part of the population cannot afford to pay for medical attention and must depend in the main on the facilities provided by Government, which alas, are insufficient. The long queues at the various clinics and the numbers turned away from the outpatient departments are grim testimony of this inadequacy. Although the completion of the new Sai Ying Pun clinic will help relieve the situation, I consider it expedient to have two other fulltime clinics, one on the mainland say at Sham Shui Po, and one on the island at Shau Kei Wan. At the present time many who require medical attention forego a visit to the existing outpatient departments because of the distance involved and also because of the possibility that they may not be seen when they eventually get there. The suggested clinics could be served by doctors in private practice, on a part-time basis, with considerable saving to Government. In any case, as has been mentioned by honourable Members we already have a formidable-sized establishment of over 10,000 in Government which is more than the total number of taxpayers, paying salaries tax or who are personally assessed.

Your Excellency's suggestion that an International Gift Show might be profitably held here, must certainly receive priority attention by those concerned. I recently visited some American Universities as a delegate of the Commonwealth Universities Congress. At one of these, we were taken on a visit to a popular tourist resort and a fellow-delegate bought some Indian beaded belts as souvenirs. Imagine my delight and the consternation of the purchaser when, on closer inspection, he found the belts labelled 'Made in Hong Kong'. I later visited the Brussels World Fair, and saw the same marking on some of the souvenirs which enjoyed large sales. A properly planned Show will certainly have the potential for opening new markets for our novelty goods.

Hong Kong is fast approaching popularity as 'the place to visit' in the Far East. I hope that when the efforts of the Tourist Association bear fruit, they will help to enhance and establish this popularity, which this Pearl of the Orient richly deserves.

I have pleasure in supporting the motion. (*Applause*).

MR. J. D. CLAGUE: —Your Excellency, my honourable Friend the Financial Secretary started his admirable speech covering the Colony's financial position from the point at which he left off twelve months ago and I feel I can do no better than to emulate him.

At that time last year I was most interested in two suggestions. The first was to the effect that consideration might be given to the inviting of a Parliamentary Mission to visit Hong Kong—the second suggestion was to the effect that a committee might be set up to consider whether there was a need for a Development Corporation in Hong Kong.

I think it is fair to say, Sir, that at the time neither of these suggestions received the unqualified support of Government. However, as the Hong Kong Government Annual Report for 1958 comments —"it was with very real pleasure that the Hong Kong Branch of the Commonwealth Parliamentary Association was able to invite the United Kingdom Branch to send a delegation to the Colony". The visit was, I think, in every respect a great success and I feel a tribute is due to the Deputy Clerk of Councils, Mr. M. D. Sargant, to whom the C.P.A. entrusted the carrying out of the arrangements for the visit. I know that the visiting Members of Parliament were greatly impressed by his efficiency.

Regarding the second suggestion, I have noted with pleasure Your Excellency's reference to the setting up of a committee to examine the question of "an Industrial Development Corporation or Bank". The terms of reference and the composition of the committee appeared at first sight to indicate that the committee would only be concerned in reporting on the desirability or otherwise of an Industrial Bank, but I am glad to note from Your Excellency's statement that this is not the intention, and I await the Committee's report with interest.

I am in entire agreement that even if we have an Industrial Development Corporation or Bank, or even both, it will by no means solve all our problems, nor is there any justification for the lending of public funds to Industry, except on a secured basis, and this will of necessity eliminate many who would like assistance.

There is, however, one method by which I believe the small manufacturers could and should be helped, and that is by the construction of flatted factories by a Government appointed agency—these factories to be let at rents which produce a fair and economic return.

As I indicated last year such action would not only assist the small manufacturer, but would also provide much needed improved working conditions for labour, and would enable Government to maintain better control. It might also help to eliminate some of the less desirable factories which exist at the present time and which are a source of embarrassment to all who have the best interests of the Colony at heart. So much for the past.

I must congratulate my honourable Friend the Financial Secretary, not only on the contents of his speech but the manner in which it was delivered. It may be true that generally speaking one enjoys my honourable Friend's speeches in inverse ratio to the number of references he makes to one personally, or to one's Department, but I think you will agree that there was never a dull moment.

The main concession which my Friend the Honourable Financial Secretary felt able to give was the abolition of the duty on toilet preparations and proprietary medicines. I wholeheartedly commend this action for a number of reasons, but in particular it will be interesting to watch the effect which this action has on our exports of dental preparations to Macau in future. During the four and half years prior to this matter becoming a live issue, Macau took not less than 30% and up to 40% of the Colony's total imports of dental preparations. Needless to say these shipments were ex-bond. I fully support the Honourable Financial Secretary's advice based on past experience that it would be a great mistake to consider re-introducing this particular tax should additional revenue be required in the future.

There is one other form of tax collection which might justifiably be reconsidered, and that is the licence fees for Radios. As honourable Members are aware, large numbers of Transistor radios have been imported into the Colony and many have been retained here. I personally have some doubts as to whether the present system of collecting radio licence fees is working entirely fairly. In this connexion it is noteworthy that Rediffusion subscribers who cannot avoid paying the correct fee, as it is in the hire charge, contribute over \$1,000,000 nett to Government, whereas fees for wireless licences do not exceed \$1,500,000 gross. I am grateful to Government for the assurance given in committee that this matter will be looked into. I would add that the first person to read this draft speech confessed that he had no radio licence for his transistor, so perhaps the publicity will do some good.

May I, Your Excellency, dwell for a moment on your forthright comments on Industry. Much ground was covered and I leave my honourable Friend, Mr. Barton to deal with the points which concern training and trade promotion. Your Excellency said, and I quote . . . . "I do not think that anyone can deny that our industry is insufficiently diverse." It would appear that there remain some who have yet to be convinced on this point.

Your Excellency also drew attention to the fact that the overall total of Hong Kong manufactured exports increased by \$58 million in 1958 compared with 1957. If one studies the export figures of Hong Kong manufactured goods, it will be found that "Outerwear" exports increased by some \$70 million and "Underwear" by \$20 million. \$62 million of the former and the whole of the latter resulted from increased sales to the United States. These exports covered a minimum number of items, and I believe only a handful of firms were involved. They resulted largely from a desire by certain large American distributors to take advantage of the facilities we have to offer, together with the fact that these buyers were unable to obtain sufficient supplies in Japan. In other words a large part of our additional Hong Kong Exports in 1958 must be regarded as largely fortuitous, rather than the result of a gradual and sustained expansion of our existing and well established industries, as one would have wished. We naturally hope we can retain and expand these exports but in point of fact these orders could disappear as quickly as they came. It is therefore vital that we should endeavour to broaden the base of our industry and diversify our products. At the moment we are much too dependent on too few markets and on too few items, many of which could go out of fashion overnight. Moreover our 1958 figures were inflated as a result of additional sales of grey cloth to the United Kingdom, largely due to the fear in the United Kingdom that supplies might be reduced as the result of any understanding that might be reached with Lancashire. It follows that if exports of these "specialist lines" increased by so much in 1958, many of our "traditional" exports fell.

As a result of the good overall results, this less satisfactory aspect of our trading position has tended to receive less consideration than would otherwise have been the case. Government will shortly have available more detailed statistics and I believe they will justify careful scrutiny. I suggest that not only are there no grounds for complacency, but there is a definite need for all concerned to recognize how vulnerable our overall exports are. Whilst we must obviously seek out more markets and endeavour to produce new products, we would be well advised to take care that we do nothing which will jeopardize or prejudice our two best markets, namely, the United Kingdom and the United States of America, on which we are now so very dependent, and on which my honourable Friend, Mr. Barton will have more to say in a few moments.

Your Excellency's references to the Textile Negotiating Committee are much appreciated, but I would like to place on record the fact that had it not been for the complete confidence which responsible representatives had in Government's ability to arbitrate impartially between the various sections of the local industry, it might not have been possible to reach an understanding with Lancashire. At best it was an unpleasant

task running contrary to our established principles, but I am quite confident that the policy adopted by the Hong Kong industry will, in the future, be judged by disinterested observers to have been, in the circumstances, in the best long term interests of the Colony.

There appears to have been some misunderstanding as to the basic policy covering the local arrangements necessitated by the undertaking with Lancashire. Put briefly, they are—firstly that any benefits which accrued should be spread fairly throughout the industry; secondly, any disadvantages should also be shared equitably; and thirdly, that subject to the legitimate interests of all sections of the textile industry, we should endeavour to ensure that our exports contained the maximum local labour content, so as to reduce to the minimum any ill effects on the Colony as a whole, arising from the undertaking. It is within this framework that Government was asked to make the necessary administrative arrangements, and all concerned can, I suggest, rely on Government to act without undue prodding and with meticulous fairness and understanding.

Your Excellency's tribute to the efforts of the Department of Commerce & Industry was well deserved, and is fully supported by responsible merchants and industrialists alike. The reconstituted Trade and Industry Advisory Board will, I am sure, prove of great value to Government and it is satisfactory to note the extent to which problems affecting the Colony's trade and industry are referred to this Board.

I would now like to refer to the item of expenditure under the heading "No. 41 Subventions" insofar as they relate to Social Welfare. I am glad to note the increase in the subventions to voluntary charitable organizations, and I feel that in this respect Government is very well served. I wonder whether it would be possible to move towards the formation of a central fund, something on the lines of a "Community Chest", at least to cover the smaller charities. I realize that long established associations such as the Tung Wah Group of Hospitals and certain religious bodies may wish to continue as at present, but as far as many of the other organizations are concerned, particularly those functioning under the auspices of the Council of Social Service, I should have thought that it would be possible to come to some arrangement whereby all forces are mobilized and one grand appeal made each year. I do not believe those firms and individuals who consistently give so generously and who form the bulk of any list of acknowledgments which appear in the press, would contribute any less if the principle of a community chest were to be adopted. With the number of excellent charitable organizations continually increasing, the number of appeals being made to firms and individuals has now reached a point where I feel it ceases to be reasonable. Apart from the large wastage of time and effort, a considerable amount of expense must inevitably be incurred in postage, stationery, etc. I realize that any such

innovation would require lengthy consideration and organization, but I commend the idea to Government and express the hope that the Social Welfare Department may be invited to consider the matter in detail, and seek the co-operation of the Council of Social Service. If it is not possible for all organizations to share in a community chest in the first place, perhaps a start could be made on a limited basis as a trial.

My honourable Friend Mr. Terry has referred to legal drafting, and in this connexion may I also offer the suggestion that whenever possible, when technical matters are involved, be they ones affecting the professions, business or industry, those affected might be consulted prior to the Bill being placed before Council.

I would also like to refer to Government's policy in regard to the issuing of licences for Taxis. I believe the question has been under active consideration for the past ten years. Perhaps, Sir, the public might be enlightened on the whole matter. It is common knowledge that hundreds of illegal taxis are operating. Government is not only losing revenue but the administration's reputation is suffering. I believe the inadequate transport facilities of a public nature, in the New Territories in particular, are in large part to blame for the present situation, and I feel a clear statement of policy by Government on the whole subject is desirable. In view of the high cash value of a taxi licence at the present time, I would be interested in particular to learn the basis on which existing licences have been granted and why it is not possible to increase the number of licences available.

I support my honourable Friend Mr. NGAN Shing-Kwan on the subject of communications. I know I share with many private motorists, as well as owners of commercial vehicles, regret at the delay in improving cross harbour facilities. It was in 1956 that a Government interdepartmental committee recommended the construction of terminals for a second vehicular ferry service, and in 1959 we seem very little closer to obtaining any relief. The queues get longer and more frequent, transportation costs increase and inconvenience to the individual motorist has reached an all time high. I fear the new terminal, when completed, may not prove capable of handling the traffic and I would urge Government to consider now what further steps may be necessary to cope with the long term problem.

The estimates indicate that it is anticipated that there will be a fall in revenue from land sales in 1959/60. From the revenue angle this is comparatively unimportant, but from the overall housing point of view it is of some consequence. My honourable Friend, Dr. Rodrigues, has made a valuable contribution to this debate on the subject of planning, particularly as it refers to Housing. As a member of the Special Committee on Housing I have had my say, but I would like to draw Government's attention to one fundamental issue which they may

soon have to face. Government's present Housing Policy, as I understand it, is that whilst Government is prepared to finance non profit-making housing and the resettlement programme, it looks to private enterprise to provide the rest of the domestic accommodation required. Here I must sound a word of warning. I believe that there may well be a falling off in the number of flats being built by private enterprise. Indicative of this is the fact that on one or two occasions recently, crown land put up for auction failed to attract buyers even at the upset price.

Sooner rather than later, in my opinion, Government may well find it expedient to adopt a more positive approach to this subject and be prepared to encourage private enterprise to develop, I would urge that the matter be considered now so that should it transpire that there is a decline in private development, Government is in a position to provide a stimulant by means of adopting one or other of the courses suggested in the Special Report on Housing.

I feel by now, Your Excellency, that honourable Members themselves may be in need of a stimulant, and I will not delay you unduly, but I would like to make the point that whereas I have made some criticisms and suggested that some matters might justifiably receive further consideration, I am mindful of the many notable achievements of Government in other directions, and the pressure under which Senior Government servants are called upon to operate.

I like to think, however, that under your direction, Sir, the administration's motto might well be "the difficult we try to do immediately, the impossible takes a little longer". (*Applause*).

MR. H. D. M. BARTON: —Your Excellency, I have listened with admiration and rapt attention to the words of wisdom that have flowed from the lips of my honourable and senior Colleagues as, with a grace and *élan* that would do credit to a ballerina, they have flitted to every nook and corner of Government's ever-widening stage—from the inspiration of the Royal Visit to the latest statistics on underwear and outerwear—from the sayings of Confucius to the duty on Toilet Articles.

I am sure you will agree, Sir, that as a newcomer to your Council Chamber, it would be quite inappropriate for me to try at my first attempt to emulate their pirouettes, so with a warm endorsement of all the compliments so nicely bestowed and so richly earned, I shall proceed with the dull and undeviating precision of a Guardsman to the corner of the stage marked "Trade Promotion" where I shall mark time for ten minutes and then, with your permission, Sir, I shall "fall out".

In your survey, Sir, of our trade and industrial problems, you stressed the need for our local industrialists to give the Technical College their full support. I think Government can rest assured that this support will be forthcoming, but until our leading industrialists have had an opportunity to judge the standard of those who graduate, and are assured of a constant pool on which they can draw, they dare not abandon their own training schemes on which they have hitherto had to rely.

I believe that the "Training within Industry" Scheme introduced by the Labour Department will also be welcomed. This scheme should be of particular value to the numerous small factories of Hong Kong who hitherto have had little opportunity to learn about up-to-date management techniques as they could spare neither the time nor the money to go abroad for this kind of training.

You also emphasized, Sir, that the Government's most important duty is to create a favourable climate in which both trade and industry can develop.

I would like to congratulate the Government on the work that is being done in Hong Kong towards creating this favourable climate, and the constructive thought that is being given to the problems that lie ahead of us.

I am sure that all responsible sections of Trade and Industry in this Colony would agree with me when I say that we are well served by Mr. Angus and his able assistants, and appreciate the help and guidance they so readily give us.

The experiences of the past few months have, however, shown that in the promotion and protection of our export trade—which in the past decade has become the life blood of this Colony—there is another vital role to be performed, and that is for Government to create a favourable climate for our trade and industry, not only in Hong Kong, but also in the countries which are our best customers.

For we must face the fact, Sir, that the recent Lancashire textile negotiations, and the growing concern in the U.S.A. about our garment exports, are but a foretaste of what lies ahead as one home-based industry after another, faced with the competition of our products, will attempt by every means at their disposal to restrict the import of our Hong Kong goods.

As you, Sir, and my honourable Friend Mr. Clague, have said, we would be well advised to try and cushion this threat to our industry by diversifying our exports as much as possible, but this will be no easy task and will at best only provide a partial solution.

The problem of creating a favourable climate in countries such as the U.K. and the U.S.A. —our most important customers and on whom we are now so dependent—is one which can best be solved by a good Public Relations service. I therefore recommend that the Government should take urgent steps to ensure that a steady flow of accurate information on all our economic, social, and industrial problems is made available from Hong Kong, and that this material is given the right publicity in the right place and at the right time.

I would be the last to belittle the useful function performed by the Government's three main publications which find their way to many parts of the globe. I refer to the Hong Kong Annual Report, the Commerce, Industry & Finance Directory, and the monthly Trade Bulletin, all three of them excellent productions of their kind. But these on their own, even if they were placed in the hands of public relations experts, would not begin to provide the service we need.

While claiming that the provision of this service is the responsibility of Government, I wish to stress that this is not an attempt on the part of local industry to shirk its own responsibilities. It is clearly the responsibility of each section of Hong Kong industry, and of its export merchants, to fight their own commercial battles and meet the cost. But if, Sir, they are to have any chance of success, it is essential that a favourable atmosphere should first be created and then maintained in the countries concerned. May I put it another way—it is the job of the merchant to sell Hong Kong's goods, but it is the job of Government to sell Hong Kong.

In the case of our most important market—the United Kingdom—we have learned from our experience in the Lancashire textile dispute that the Hong Kong Government's London representative, Mr. Grimwood, while a staunch defender of Hong Kong and of the greatest assistance to its cause, cannot, and indeed should not, be expected to provide the necessary public relations service in the United Kingdom.

Turning to our next most important market, the U.S.A., we are even more unfortunately placed in that Hong Kong has no Government representative, nor do they have any public relations service for providing the necessary background support.

Perhaps I can give a brief illustration of what I mean by creating a favourable climate. The other day I was told by an executive of an important American concern which buys large quantities of Hong Kong products for sale in the U.S.A. that the top executives of his Company were quite surprised to learn that the Hong Kong goods they were purchasing were really manufactured in Hong Kong. They were firmly under the impression that these goods originated in some form or other

either in mainland China or in Japan. This is typical of the misconceptions that exist in the U.S.A. today, and I submit, Sir, that it is the Government's duty to do something about it, and to do it quickly.

I sense, Sir, that my honourable Friend, the Financial Secretary, must have listened with some disapproval to my maiden speech in that, instead of supporting him as all good Unofficials should by questioning the wisdom and necessity of the various departments' ever-increasing demands, I have merely pleaded for a little more air to be pumped into his already inflated budget balloon.

As a fellow Irishman, with the memory of our Patron Saint, St. Patrick, so fresh—alas—in my mind, I feel rather contrite about this, because I was deeply impressed by his brilliantly lucid survey of the Colony's finances which I, for my part, found stimulating and far from soporific.

I would therefore like to try to make amends by pointing out to my honourable Friend that this modest additional expenditure I am asking the Government to meet may well bring in substantial dividends quite apart from achieving the main objective.

As my honourable Friend, Mr. Terry, has so rightly said, Hong Kong's story is one of which we have no need to be ashamed. Indeed, I think it is a story of which we can all be proud. I believe, Sir, that money spent now on putting Hong Kong's story across to the British public may well lead to Her Majesty's Government facing up to its responsibilities and giving our Colony the financial help—and I mean substantial help—with our refugee problem, for which we have waited so long in vain.

As for the U.S.A., any money spent there might well be repaid a hundredfold in the boost it should give to our Colony's second lung—I refer of course, Sir, to our fast growing tourist industry on which so many thousands of our citizens depend for their livelihood.

I understand that the Chamber of Commerce, representing as it does the greater part of the Colony's export trade, has put up some constructive proposals to the Government on this subject, and I can only hope that Government will give these proposals the urgent and favourable consideration which they merit.

With these remarks, Sir, I have pleasure in supporting the resolution. (*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.

**DUTIABLE COMMODITIES ORDINANCE, CHAPTER 109.**

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved, pursuant to section 4 of the Dutiable Commodities Ordinance, Chapter 109, that the duty on Proprietary Medicines and Toilet Preparations set forth in the Resolution of the Legislative Council published as Government Notification No. 916/47 in the *Gazette* of the 5th December, 1947, be abolished with effect from 2 o'clock P.M. on Wednesday, the 25th February, 1959.

He said: Sir, this Resolution, together with the two which follow, were foreshadowed by me in this Council three weeks ago. I gather from what has been said this afternoon, the proposals are acceptable, and as I spoke at some length three weeks ago I shall add nothing further.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

**DUTIABLE COMMODITIES ORDINANCE, CHAPTER 109.**

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved, pursuant to section 4 of the Dutiable Commodities Ordinance, Chapter 109, that the duties on Liquor as set forth in the Resolution of the Legislative Council published as Government Notification No. A. 122 in the *Gazette* of the 9th December, 1955, be amended with effect from 2 o'clock P.M. on Wednesday, the 25th February, 1959, by the deletion of the words and figures—

“Port, Sherry and Madeira .....	—	20.00	25.00
Other still wines .....	—	16.00	20.00”

and the substitution therefor of the following—

“Port, Sherry, Madeira and Vermouth .....	—	20.00	25.00
Other still wines (imported in casks) .....	—	8.00	12.00
Other still wines (not imported in casks) .....	—	16.00	20.00”

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

**DUTIABLE COMMODITIES ORDINANCE<sup>9</sup> CHAPTER 109.**

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved, pursuant to section 4 of the Dutiable Commodities Ordinance, Chapter 109, that the duties on Tobacco set forth in the Resolution of the Legislative Council published as Government Notification No. A. 13 in the *Gazette* of the 14th January, 1949, be revoked with effect from 2 o'clock P.M. on Wednesday, the 25th February, 1959, and that thereafter duty shall be payable on tobacco at the following rates per lb.:

*A. —on UNMANUFACTURED TOBACCO—*

- |  |        |
|--|--------|
| (1) Unstripped tobacco containing—               |        |
| (a) 10 per cent or more of moisture by weight:   |        |
| (i) tobacco of Empire origin .....               | \$3.55 |
| (ii) other tobacco .....                         | 3.85   |
| (b) less than 10 per cent of moisture by weight: |        |
| (i) tobacco of Empire origin .....               | 3.58   |
| (ii) other tobacco .....                         | 3.88   |
| (2) Stripped tobacco containing—                 |        |
| (a) 10 per cent or more of moisture by weight:   |        |
| (i) tobacco of Empire origin .....               | 3.70   |
| (ii) other tobacco .....                         | 4.00   |
| (b) less than 10 per cent of moisture by weight: |        |
| (i) tobacco of Empire origin .....               | 3.85   |
| (ii) other tobacco .....                         | 4.15   |

*B. —on MANUFACTURED TOBACCO—*

- |  |      |
|--|------|
| (1) Cigars—                                |      |
| (i) of Empire origin and manufacture ..... | 4.50 |
| (ii) of Empire manufacture only .....      | 5.25 |
| (iii) other cigars .....                   | 7.00 |
| (2) Cigarettes—                            |      |
| (i) of Empire origin and manufacture ..... | 4.70 |
| (ii) of Empire manufacture only .....      | 5.30 |
| (iii) other cigarettes .....               | 6.20 |

- (3) Other manufactured tobacco including snuff and cigar cuttings—
- |  |        |
|--|--------|
| (i) of Empire origin and manufacture ..... | \$3.30 |
| (ii) of Empire manufacture only .....      | 3.90   |
| (iii) Chinese prepared tobacco .....       | 3.00   |
| (iv) other varieties .....                 | 4.80.  |

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

### **RESOLUTION REGARDING THE DEVELOPMENT LOAN FUND.**

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved that the appropriation to the Development Loan Fund from the general revenue of the Colony of the sum of \$25,000,000 be approved.

He said: This resolution was also foreshadowed three weeks ago and I gather again from what has been said today, that it is generally acceptable to honourable Members. As was said by one honourable Member, the main purpose of the transfer is to facilitate housing and I trust that, as was said, the money will be spent not only wisely, but quickly.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

### **CONSERVANCY (AMENDMENT) BY-LAWS, 1959.**

MR. C. G. M. MORRISON moved the following resolution: —

Resolved that the Conservancy (Amendment) By-laws, 1959 made by the Urban Council on the 2nd day of March, 1959, under section 4 of the Public Health (Sanitation) Ordinance, 1935, be approved.

He said: Sir, the effect of the proposed amendment of the Conservancy By-laws made under the Public Health (Sanitation) Ordinance is to standardize the collection fee for all types of premises at \$16 per floor per quarter payable six-monthly in advance.

The previous application of different rates payable annually in advance to domestic premises on a floor basis and to schools and non-domestic premises on a pan basis was illogical and administratively

inconvenient. Schools in particular were faced with a heavy annual outlay. Office work was multiplied by frequent changes in the status of premises and evasion was difficult to detect. There was a problem of collecting arrears from householders paying the higher rates as, in the interests of health, service could not be discontinued.

The new flat rate will equalize charges for all, but there will be no fall in overall revenue. It has been approved unanimously by members of the Urban Council.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

### **ADJOURNMENT.**

H. E. THE GOVERNOR: —Gentlemen, that concludes the business for today. Council stands adjourned until 25th March.