

**OFFICIAL REPORT OF PROCEEDINGS****Meeting of 30th September 1964****PRESENT:**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)  
SIR DAVID CLIVE CROSBIE TRENCH, KCMG, MC  
HIS EXCELLENCY LIEUTENANT-GENERAL  
SIR DENIS STUART SCOTT O'CONNOR, KBE, CB  
COMMANDER BRITISH FORCES  
THE HONOURABLE EDMUND BRINSLEY TEESDALE, CMG, MC  
COLONIAL SECRETARY  
THE HONOURABLE MAURICE HEENAN, QC  
ATTORNEY GENERAL  
THE HONOURABLE JOHN CRICHTON McDOUALL  
SECRETARY FOR CHINESE AFFAIRS  
THE HONOURABLE MICHAEL DENYS ARTHUR CLINTON, GM  
ACTING FINANCIAL SECRETARY  
THE HONOURABLE KENNETH STRATHMORE KINGHORN  
DIRECTOR OF URBAN SERVICES  
DR THE HONOURABLE TENG PIN-HUI, OBE  
DIRECTOR OF MEDICAL AND HEALTH SERVICES  
THE HONOURABLE WILLIAM DAVID GREGG  
DIRECTOR OF EDUCATION  
THE HONOURABLE JAMES JEAVONS ROBSON  
ACTING DIRECTOR OF PUBLIC WORKS  
THE HONOURABLE DAVID RONALD HOLMES, CBE, MC, ED  
DIRECTOR OF COMMERCE AND INDUSTRY  
THE HONOURABLE JAMES TINKER WAKEFIELD  
DISTRICT COMMISSIONER, NEW TERRITORIES  
THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY  
COMMISSIONER OF LABOUR  
THE HONOURABLE DHUN JEHANGIR RUTTONJEE, CBE  
THE HONOURABLE FUNG PING-FAN, OBE  
THE HONOURABLE RICHARD CHARLES LEE, CBE  
THE HONOURABLE KWAN CHO-YIU, OBE  
THE HONOURABLE SIDNEY SAMUEL GORDON  
THE HONOURABLE FUNG HON-CHU  
THE HONOURABLE TANG PING-YUAN  
THE HONOURABLE TSE YU-CHUEN, OBE  
THE HONOURABLE KENNETH ALBERT WATSON, OBE  
THE HONOURABLE WOO PAK-CHUEN, OBE  
THE HONOURABLE GEORGE RONALD ROSS  
THE HONOURABLE SZETO WAI  
MR ANDREW McDONALD CHAPMAN (*Deputy Clerk of Councils*)

**ABSENT:**

THE HONOURABLE LI FOOK-SHU, OBE

## MINUTES

The minutes of the meeting of the Council held on 16th September 1964, were confirmed.

## PAPERS

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

<i>Subject</i>	<i>LN No</i>
Sessional Paper, 1964: —	
No 34—Annual Report by the Commissioner of Mines for the year 1963-64.	
No 35—Annual Report of the Hong Kong Housing Authority for the period 1st April 1963 to 31st March 1964.	
No 36—Annual Report by the Director of Marine for the year 1963-64.	
Report of the Standing Committee on Superscale/Upperseale Salaries, 1964.	
Report of the Kadoorie Agricultural Aid Loan Fund Committee for the year 1963-64.	
Report on the Administration of the J. E. Joseph Trust Fund during the period 1st April 1963 to 31st March 1964.	
Report of the Fish Marketing Organization for the year ended 31st March 1964.	
Certificate of the Director General of the Overseas Audit Service on the Accounts of Hong Kong for the year ended 31st March 1963.	
Statement of Account of and Report on the Preventive Service Welfare Fund for the period 16th October, 1963 to 31st March, 1964.	
Annual Report of the Sir Robert Black Trust Fund Committee for the year ending 31st March 1964.	
Stamp Ordinance.	
Stamp (Bank Authorization) (No 2) Order, 1964 .....	141
Registration of Persons Ordinance, 1960.	
Registration of Persons (Re-registration) (No 32) Order, 1964	142
Registration of Persons Ordinance, 1960.	
Registration of Persons (Re-registration) (No 33) Order, 1964	143

He said: Sir, these papers include a Report to Your Excellency by the Standing Committee on Superscale/Upperscale Salaries.

This Committee, composed entirely of non-Government members under the chairmanship of the Honourable W. C. G. KNOWLES, was set up by Your Excellency's predecessor last year to keep under review the grading of departments and the salaries of senior civil servants. Among the considerations which led to the appointment of this Committee was the belief that, in the rapidly changing and expanding conditions of Hong Kong, it was necessary from time to time to review and to assess the respective responsibilities and importance of Government departments in relation to each other; and further, in connexion with this review, to examine the salaries of senior officers in relation both to the responsibilities which they carry and to the salaries paid outside Government to persons in comparable senior positions. In Britain there is a similar Committee, known as the Frank's Committee from its Chairman, Lord Franks, which advises on the pay of the Higher Civil Service.

This is the first Report of the Standing Committee. No decision on it has yet been taken, and careful study will now be given to its recommendations. In the meantime the Report is being published for general information.

On the grading of departments the Report recommends considerable changes in the relative position of officers in the superscale. Heads of department will be given an opportunity to comment on these particular proposals, and their views will be passed to the Committee who will then consider whether they wish to amend their recommendations in any way to meet the views expressed.

As to the level of salaries, it will be noted that the Committee proposes substantial increases for Heads of Department; modest increases for officers at the bottom of the superscale and upperscale; and, to some extent, a reversion to the principle of "pay for the job" for senior officers in that it is recommended that overseas educational allowances and children's allowances should be reduced on a sliding scale until they disappear for heads of department.

When recommendations are reached on all these matters they will be placed before Executive Council and Finance Committee for consideration and decision. In the meantime I am sure, Sir, you would wish me to express appreciation to Mr KNOWLES and his Committee for the great amount of careful and detailed work which has gone into the preparation of their Report.

The Report deals with the salaries of some 227 posts at the top of the Civil Service. As to the rest of the Public Service, honourable Members will recall that an interim salary award and children's allowances were granted to the Service earlier this year. These interim allowances were to be subject to review in the light of the Consumer Price Index as soon as it became available. This is likely to be early next year, and it has therefore been decided that a Salaries Commission should then be appointed to undertake a substantive review of the general level of Government salaries and major allowances, bearing in mind rises in the cost of living, the level of outside salaries and the Colony's financial and economic position; and to advise on these and other major matters relating to salaries. Previous Salaries Commissions were appointed in 1947, 1953 and 1959. The detailed terms of reference of the Commission are at present under consideration by Government in consultation with the main Staff Associations.

The present position as to the wages of artisans and labourers is already under separate study.

### QUESTIONS

MR K. A. WATSON, pursuant to notice, asked the following question: —

Sir, I would like to ask the first question standing in my name.

In moving the Government Lotteries Bill in 1962 the Honourable Financial Secretary indicated that whilst the revenue from lotteries was to be used for the purpose of social welfare, such revenue would primarily be used to increase the subventions made by Government to private social welfare organizations.

The figures published in the *Government Gazette* of the 18th September show that although over \$3 million was received in lotteries both in 1962 and in 1963, the amount of subventions only increased by \$411,000 in the first year, and by \$708,000 in the second.

Is Government satisfied with the present method of utilizing the revenue derived from the lotteries, and are any changes being considered?

THE FINANCIAL SECRETARY replied as follows: —

Sir, When the Financial Secretary introduced the Government Lotteries Bill in 1962 it was stated that the proceeds of the Lottery (I quote) shall be paid into the general revenue of the Colony and allocated for the purposes of social welfare (unquote). No specific indication was

given that the revenue from the lottery should be utilized primarily for the increase of subventions though more generous treatment was envisaged as an undertaking was given that the Director of Social Welfare and the Social Welfare Advisory Committee would be requested to take the availability of the funds into account when proffering advice, as they do annually on the appropriate level of subventions to be made available to social welfare organizations. Applications from these organizations are considered by the Committee who have in some cases recommended that the amounts applied for be increased, reduced or deferred; I know of no case since the lottery of any reductions for purely financial reasons.

Expenditure this year on subventions is estimated at almost 5.7 million dollars an increase of 2 million dollars over 1961-62 and I have no doubt that in time it will further increase; there may however be advantages in interpreting the scope of social welfare more broadly in this context and this is being considered.

The straight answer to Mr WATSON's question is that Government is not entirely satisfied and has been considering proposals for the funding of lottery receipts so as to show a more direct correlation between receipts and spending, especially in relation to specific projects.

Sir, it is hoped that concrete proposals will emerge before the commencement of next year's lotteries.

MR K. A. WATSON: —Sir, if I may ask a supplementary question: —

Is it considered that an increase of \$400,000 in one year and \$700,000 in another year which barely keeps up with the increase in general revenue of the Government, can be called a “more generous treatment” as stated in the reply?

THE FINANCIAL SECRETARY replied as follows: —

Sir, I have already explained how the subventions had been allocated and I do not think I have anything further to say.

MR K. A. WATSON: —Sir, I rise to ask the second question standing in my name: —

In March this year, the Advisory Committee on Public Transport recommended that the feasibility of building

an underground railway system be investigated, in view of the serious transport problems anticipated within the next seven or eight years.

Has this recommendation been accepted by Government and if so what progress has been made?

MR J. J. ROBSON replied as follows: —

Your Excellency, the Advisory Committee on Public Transport's recommendation that the feasibility of an Underground Railway System should be investigated, was considered by Finance Committee of this Council who agreed that inquiries should be made through the Crown Agents for Overseas Government with a view to the engagement of consulting engineers for an investigation generally on the lines proposed by the Advisory Committee. These inquiries are being pursued.

MR K. A. WATSON: —Thank you.

### **AUTHORIZED MAXIMUM STOCK BALANCES**

THE FINANCIAL SECRETARY moved the following resolution: —

Whereas—

- (1) determination of the limit for the maximum value of standard stocks of unallocated stores held by the Government of the Colony is subject to the approval of this Council;
- (2) the present limit of twenty-four million dollars for the Stores Department which was fixed in 1960 is now inadequate:

Now, therefore, be it resolved that approval be given to the determination that the normal limit for the maximum value of standard stocks of unallocated stores held by the Stores Department shall be thirty million dollars (\$30,000,000.00).

He said: Sir, the necessity for this resolution arises from the fact that the present authorized maximum value of unallocated stock held by the Stores Department of 24 million dollars, which was fixed by this Council in January 1960, is now too low in view of Government's continually increasing commitments.

On 1st April 1964 the balance of unallocated stock was 20 million dollars, but this had risen to 23.7 million dollars in July and to just over 24.3 million dollars at the end of August.

This increase is mainly attributable to more requirements for Government building projects, and to the need to maintain larger

stocks of drugs and pharmaceuticals. To a lesser extent there have been abnormal requirements for pipes and fittings and pumping equipment arising from the recent water emergency. In addition, the Stores Department unallocated stock balance now includes the Railway stock previously held on separate account up to a limit of 850,000 dollars.

It is, of course, undesirable to have excessive amounts of money tied up in stores, but on the other hand it is necessary to keep sufficient stocks to meet Government requirements, particularly in respect of the Public Works Programme. The proposed limit of 30 million dollars will provide a reasonable margin for the immediate future.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

### **BUILDINGS (AMENDMENT) (NO 3) BILL, 1964**

MR J. J. ROBSON moved the First reading of a Bill intituled "An Ordinance further to amend the Buildings Ordinance, 1955."

He said: Your Excellency, the Buildings (Amendment) (No 2) Ordinance, 1964, came into operation on the 4th of September this year. This Ordinance amended the Buildings Ordinance, 1955 by adding, *inter alia*, a new subsection (4) to clause 9B. Unfortunately, when the amending Bill was printed one line of the new subsection reading (I quote) "and he is not satisfied that the collapse or the likelihood" (unquote) was omitted and the Bill now before honourable Members seeks to correct this error.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

HIS EXCELLENCY THE GOVERNOR: —We shall now resume the debate on the White Paper on housing. The question is that the White Paper entitled "Review of Policies for Squatter Control, Resettlement and Government Low-Cost Housing, 1964" be accepted as a general guide to future policy. The motion is now open for debate.

MR S. S. GORDON: —Your Excellency, I rise to support the motion before Council, but, before doing so wish to mention briefly two points which give me some concern. The first relates to the comment in paragraph 31 on Finance to the effect that we may have to rob Peter to pay Paul. I accept that Resettlement must be our top priority but we must not allow the seriousness and urgency of this problem to force us to concentrate entirely on minimum standard accommodation.

I welcome the remarks made by my honourable Friend the Colonial Secretary in introducing this motion which indicate that he fully appreciates this danger and I trust that the terms of reference of the proposed advisory Housing Board will make it clear that the claims of the middle income group should not be overlooked. Government has recently undertaken to make a generous loan to the Finance Corporation which will come into being shortly but I trust that in doing so it is not thought that this fully discharges Government's responsibilities to a vital section of our community.

My second point relates to paragraph 13 where, in relation to squatters on roof-tops and private land, it is stated *inter alia* “. . . . the erection of new structures will render the landlord liable to prosecution . . . .” The majority of Landlords are only too pleased to be rid of squatters on their property but, until now, they have had little help from Government in clearing such squatters. In fact cases have been reported to me where the landlord has been fined for permitting squatters on his roof although the police had previously refused to assist him in removing these squatters and application to close the access with a locked gate had been rejected on the grounds that it constituted a fire hazard. When the Resettlement Ordinance is amended it must be made quite clear that the responsibility for removing squatters lies with Government. Incidentally, the wording of this paragraph departs from the recommendations of the Working Party in that at paragraph 38(1) of their Report on the question of Roof-top Squatters they suggested that a landlord should be prosecuted for failing to report the erection of new structures. With these remarks, Sir, I support the motion.

MR FUNG HON-CHU: —Your Excellency, the question posed in the White Paper on Review of Policies for Squatter Control, Resettlement and Government Low-Cost Housing 1964 is not whether we should proceed with it, but rather what would happen in 10 years' time if we don't get on with it now. Government is to be commended for its attention to detail, its courage to face reality, its far-sightedness to plan ahead and the logic which this paper contains.

The revised policies have dealt with all newly erected domestic structures on roof-tops or private land. However, there is no statement of policy in regard to existing squatters in these areas in the matter of priority for resettlement. Clearly a distinction ought to be made between new and old squatters of this type and it appears to me that there is a strong case for bringing these existing squatters on a par with pavement dwellers at the very least.

As stated in paragraph 31 of the White Paper, in fixing its new building programmes and technical planning targets, Government is aware of the possibility that, as a result, it may not be practicable to



provide additional funds for the expansion of other low cost housing work, such as that carried on by the Housing Authority and the Hong Kong Housing Society.

May I remind Government that the type of housing provided by these bodies caters for a different sector of our community who are no less deserving than the squatters, and we should try to strike a happy balance.

Indeed, no amount of Government effort can by itself solve our problem of housing and it is evident that every incentive should also be given to private builders.

So far private redevelopment has been for the most part confined to choice sites which yield the most profit to the developer, with the slum areas being carefully avoided. If sufficient incentive is not forthcoming, there can be little hope of slum clearance in any scale.

When choosing sites for Resettlement Estates, Government Low-Cost Housing and Licensed Areas, one of the most important considerations is that communications should be adequate. Even though the sites may not be in the proximity of commercial and industrial centres, the existence of a rapid, cheap and reliable means of public transport will do much to ease the hardship of the people.

I am anxious that Government reach an early decision to set up an overall high-powered Housing Board, by whatever name it may be called. Unless this is done, there is no assurance that our resources are used to best advantage and the housing programme is implemented without unavoidable delay. In the long run, there must be a single Housing Department to cover every aspect of public housing.

It will take time to set it up properly and obviously it must be done in phases to avoid disrupting the work that is done by those now engaged in housing the people. True, our housing work covers a wide range of economic classes and caters to an even wider range of accommodation. Still, there is no advantage in a proliferation of departments and other bodies, all making claims for land, money and manpower.

The Honourable Colonial Secretary rightly observes that the financial commitments involved in the building programme are truly formidable quantities of expenditure by any standard and that it is appropriate they should be kept in the forefront of our minds during the discussion of all aspects of this White Paper.

I cannot help but detect an undertone of anxiety in his remarks, but provided we are guaranteed overseas markets for our manufactured goods, I am optimistic that our increasing working population, noted for diligence and thrift, is capable of earning the extra income to meet our additional requirement.

I should point out that these housing units are not free: rents, however modest, will be charged. Hence the money spent should not be looked upon as an ordinary item of expenditure, but as a form of investment—an investment which we can recover, not only in terms of cash but also in terms of humanity.

With these remarks, I have pleasure to support the resolution before Council.

MR P. Y. TANG: —Your Excellency, the principles as recommended by the Working Party for adoption by Government in dealing with the problems of squatter control, resettlement and low-cost housing would appear to be sound and well conceived.

There is however one important facet of the problem which, I submit, should merit some attention in considering the acceptance of these principles. I refer to the bearing which the geographical distribution of housing sites has on the needs of industrial employment.

The difficulties which many local industries have increasingly experienced during recent years due to the shortage of labour must inevitably produce in the long run an unfavourable impact on the competitive position of the Colony's exports.

It is therefore vitally necessary that, in charting the course of a major policy such as the one being examined, which will no doubt affect the availability of industrial workers in the years to come, the question of ready access of the working population to industrial centres should be constantly kept in view.

In the investigation of this problem we are grateful to our honourable Friend Mr KNOWLES for his making an analytical study by projecting census figures of various age groups to show the pattern of growth of economically active population up to the year 1971.

The analysis throws much light on the fact that we should expect no bulge to appear in the growth of the population as a whole, or of any particular age group. It would therefore be unsafe to think that the labour shortage problem would automatically resolve itself through the anticipated swelling of the supply of workers eligible for industrial work.

I would therefore suggest that, when the time comes to implement the principles as laid down in the White Paper, with reference to the selection of locations for resettlement and low-cost housing projects, as well as to the fixing of 'Licensed Areas', the administrative authority concerned would attach importance to the following points: —

- (1) Whether the selection of sites for resettlement estates and 'Licensed Areas' is, to the greatest extent possible, geared to

the location of important industrial centres of employment in point of proximity and easy accessibility;

- (2) Whether existing and prospective transport facilities available to the occupants of resettlement and low-cost housing units are such as to offer them sufficient freedom to choose and utilize job openings in various parts of the Colony.

The adequate co-ordination of policy along these lines will, I feel, significantly contribute to the alleviation of the labour shortage problem.

With these observations I support the resolution before Council.

MR TSE YU-CHUEN: —Your Excellency, I have given some consideration over the White Paper on squatter controls, resettlement and low-cost housing, 1964 and at the same time am deeply impressed by the masterly analysis of this proposed measure by my honourable Friend, the Colonial Secretary. While my conclusion is that this measure is on the whole sound and merits general acceptance, I wish, however, to make observations on two points.

What comes to my mind as a special concern is the selection of the Licensed Areas which have much to do with the housing of the least fortunate people in our community and which deserve our special consideration. Although the White Paper points out that the sites for the Licensed Areas will be difficult to find and will inevitable be in outlying areas because sites of sufficient size are not available closer to urban areas, one must not lose sight of the fact that if such Licensed Areas were located too far away, people living there who have to make a living in the urban districts would, in view of the mounting traffic problems and transportation bottlenecks, encounter considerable difficulty and hardships in daily commutation. In particular it would be greater hardships on their children going to schools every morning. The people affected most are those living on Hong Kong Island, where there are more demolition and redevelopment of older tenement properties and the consequent displacement of large numbers of families which they house.

The second point is in the carrying out the terms and provisions of the project under consideration. The Colonial Secretary in his motion at the last session reminded honourable Friends in this Council that expenditure on the scale he outlined also implied that we shall be able to recruit and train the many additional staff needed to build and run the new estates under proposal. I would like to supplement this forethought with the suggestion that every effort should be made to supervise the implementation and to forestall and weed out corruptions and abuses in any form. To this end it may be desirable to form a special committee to receive communications and complaints from

residents of the new estates, so that any irregularity may be promptly and effectively dealt with.

Sir, with these observations may I register my support of the resolution before the Council.

MR K. A. WATSON: —Your Excellency, I too support this resolution. For one who has been saying, for the past seven years, that too little was being done to solve the squatter problem, it would be uncharitable of me not to welcome a policy which aims at providing nearly four times as much resettlement accommodation in the next ten years, as has been provided during the previous ten years.

Deplorable housing conditions are our most serious social problem and the greatest fear menacing the people of Hong Kong is the fear of homelessness, of being forced out into the streets with nowhere to live. Through exclusion orders, made under the Landlord and Tenant Ordinance, about 100,000 people a year are faced with having to find new homes as a result of the demolition of old tenements. Most of them are unable to afford the highly-inflated rents prevalent today; not being squatters, they are not eligible for resettlement; rents in Housing Authority flats are too high; and for Government low-cost housing, there is a waiting list of 200,000. So, where do they go? If they try to squat on the pavements, they are driven away by the Police, and if they take to the hills, their huts are torn down by squatter control squads. To their desperate cry of, "Where can we live? ", Government's reply has been, up till now. "That is no concern of ours."

It was in recognition of this alarming problem, with its potentialities of violence, that the Working Party met and made its recommendations, most of which. I am glad to find, have been approved by Government in this White Paper.

It accepts the contention that to stop all squatting without offering any alternative to the homeless is inhuman. To them, it now offers space in new "licensed areas" in which to build their huts. The fact that Government expects an intake of 60,000 people a year who are, by definition, "genuinely homeless", indicates the urgency and extent of the need.

It recognizes that the only real solution is a vast increase in building. It goes further than the 130,000 units of accommodation a year, suggested by the Working Party. It accepts the higher figure of 150,000, recommended by the Urban Council.

It also accepts a list of priorities for resettlement, at the top of which are the occupants of dangerous buildings which have been demolished. Government has altered the Working Party's recommendation that tenants should hand over to it the compensation received from

the landlord, in return for eventual resettlement. Instead, it proposes a curious alternative, the payment of a fixed sum of \$400 a head. Curious, because this proposal which my honourable Friend, the Colonial Secretary, has claimed is more generous than that of the Working Party, means that many families will have to pay Government two or three times more than the compensation they are likely to get and if they cannot find the extra money, they lose their option of resettlement. I do not think it was the intention, either of the Working Party, or of Government, to penalize the poor in this way, and there would seem to be grounds for re-examining this condition.

Government has rejected the view, held by the majority of the Working Party, that all tenants who lose their homes as a result of exclusion orders, should be offered resettlement or low-cost housing flats. It was argued that as they have been deprived of their homes through Government action, Government should be responsible for finding them other accommodation. If, however, we accept the fact that 150,000 units a year is the maximum for which sites can be found, we already have enough people with higher priority to fill them and we could only offer excluded tenants resettlement, if we were prepared to curtail the clearance of squatters from land required for development (on which the expansion of our building programme depends) or give up any attempt to relieve the present overcrowded conditions in our existing resettlement estates.

Another rejected proposal was that "permitted areas" be opened up to anyone who wished to build a squatter hut. Had this been accepted, the Klondike gold rush would have seemed like a gentle stroll compared to the stampede which would have occurred. Government anticipates that 60,000 places a year will be need for the genuinely homeless, and I think it is clear that it would be impossible to cope with a general exodus from the slums, which would greatly increase this number.

The existence of this probability, however, suggests that our housing troubles will not be solved unless and until Government grasps the nettle of Slum Clearance. I am therefore very pleased that a Working Party has been formed to go into this problem and that a pilot scheme may be started. The resulting increase in land values may more than compensate for what has to be spent, but let me now introduce a heresy. Let me suggest that slum clearance would be worth doing, in terms of more open spaces, improved communications, and healthier and happier living, even if it does cost Government some money.

Finance is, of course, a critical factor in carrying out this expanded building programme. The question arises whether Government alone can provide all the funds required, or whether it should try to enlist the help of private enterprise which last year spent 561 million dollars

on new building. If it could be persuaded to apply part of that sum yearly in providing the small low-cost rooms and flats that we need, Government would have more to spend on the development of new sites, and so speed up the rehousing programme. But if it decides to "go it alone", progress may be needlessly slow.

Many other problems remain to be solved. The opening of the new licensed areas" will increase the number of squatters for whom we shall be responsible, and many people will have to continue living in slum conditions for a long time to come. But this new policy is a major step forward, not just in the increased quantity of building, but in the acceptance by Government of a greater degree of responsibility for the homeless and a growing awareness that it must take more positive action, through slum clearance, to improve the housing conditions of the poor.

MR P. C. WOO: —Your Excellency, although we have resettled nearly 700,000 squatters, we are still facing a number of more than 600,000 and an estimated yearly increase of 30,000 squatters.

Both the Special Committee on housing in 1956 and the Working Party of last year realized that the only solution to this problem is to build as speedily and as many buildings in resettlement and low-cost housing estates as Government can possibly manage to do so.

Every one of us is conscious of the seriousness of the situation, the enormity of the task before us and the huge amount of public fund to be expended in this project. I hope this amount will not come exclusively from current revenue but may come, at least in part, from Hong Kong's capital reserves.

The policy, laid down in the White Paper, which is based on the recommendations of the Working Party's report, has already had the commendation and approval of the general public.

I particularly welcome this policy which, as my honourable Friend the Colonial Secretary has indicated, is to be a general guide for future action for squatters control, resettlement and Government low-cost housing with periodical reviews of the same. There is therefore plenty of scope and flexibility in carrying out the policy.

In supporting it, I wish to make the following comments which are not intended to be criticisms but, I hope, may serve as useful suggestions for the working out of the policy.

Evicted Tenants of Dangerous Buildings. Certain sections of the community object to the proposal of requiring evicted tenants of dangerous buildings to pay an amount as an advance of rent to have the priority for early resettlement.

This proposal does not entirely shut out those tenants who are not able to make such payment forthwith but their priorities in resettlement are merely deferred. I think however the payment of \$400 per person is rather high and Government may well be advised to reconsider reducing the amount of \$400, say, to \$200 per person, or to allow payment by monthly instalments so that these evicted tenants of dangerous buildings may not lose their priorities.

The reasons why I support this 'rent advance scheme' are as follows: —

- (1) These tenants will get compensation from their landlords for being evicted from their homes and if they can get their compensation as soon as possible there is no hardship for them to make payment to Government.
- (2) Invariably in order to obtain alternative accommodation they have to pay key money to their landlords or principal tenants, which is not an advance of rent but a capital outlay and is not refundable.
- (3) Government has to spend a large sum of money in this project and the 'rent advance scheme' will assist Government to reduce the capital expenditure. We must bear in mind that though resettlement and re-housing are one of the important projects in Hong Kong yet there are still other important social services which have to be provided for by Government.
- (4) Hong Kong is not yet a welfare state and these tenants should realize that they are not getting resettlement free but have to pay for it. They should not rely entirely on Government for resettlement and become a parasite to the Community. Indeed a great statesman once said that "the office of government is not to confer happiness but to give the people the opportunity to work out happiness for themselves."

I have said that I support the "rent advance scheme", but I feel that it is almost impossible to have this scheme carried out unless the tenants of dangerous buildings can get their compensation as soon as they are evicted.

The present procedure of setting up a Tenancy Tribunal to assess the compensation as laid down in the Demolished Buildings (Redevelopment of Sites) Ordinance, 1963 is long and dilatory and causes hardship to these tenants in many ways. Experience has shown that these tenants do not get their compensation until five or six months after they have been evicted.

It is therefore imperative that these tenants should get their compensation as soon as possible in order to make the payment of advance

of rent to Government and not to lose their priorities of early resettlement.

I suggest that this Ordinance may be amended so as to give statutory authority to my honourable Friend the Secretary for Chinese Affairs through the Tenancy Enquiry Bureau to negotiate between the landlords and the tenants the amount of compensation payable and to fix the same between them. In other words, the Secretary for Chinese Affairs will be the arbiter to fix the compensation instead of leaving it to the Tenancy Tribunal to do so.

I advocate this amendment because the above method has been found workable in the recent case of the dangerous buildings at Lockhart Road, Wan Chai. Indeed, compensation was received by some of these tenants even before they moved out of the dangerous premises.

Objection may be raised on the ground that some of the landlords are not rich enough to make immediate payment of compensation but the answer is that it is easier for these landlords to obtain an advance of the amount of compensation by mortgage or charge on their properties with any local bank than for the poor evicted tenants to borrow money from other sources.

The relative hardship is greater in the case of the tenants than that of the landlords who are far better off because the market value of their premises will be greatly enhanced with vacant possession.

As a corollary, the provisions in the said Ordinance for the assessment of the incremental value by my honourable Friend the Director of Public Works will not be applicable if the Ordinance were amended as suggested. I mention the question of incremental value because to my knowledge there are at least six cases in which the Director of Public Works had certified that there was no incremental value and the poor tenants got nothing by way of compensation.

Assessing Compensation. If, however, Government is not prepared to adopt the above suggestion I strongly urge that the Ordinance should be amended to allow the evicted tenants to apply to the Chief Justice for the appointment of a Tenancy Tribunal to assess the compensation immediately upon the service of the notice of intention to apply to the Court to close the building by the Building Authority. This procedure may perhaps reduce the lengthy period of waiting by these tenants to get their compensation.

When the Working Party was considering the terms of reference the number of dangerous buildings closed by Court order for the period from January to September 1963 was only 50 but the number of buildings closed for the corresponding period in 1964 has risen to 198, almost



four times that of the nine months period in 1963 and the number of potentially dangerous buildings will, in my estimation, be at least equal to, if not more than, that of this year.

The Working Party estimated that evicted tenants from dangerous buildings, who will become squatters, would be 2,000 per year but the increased number of dangerous buildings clearly shows that this estimate is too low. It follows therefore that even if Government accepts the recommendation of the Urban Council to build 150,000 units per year, in ten years to come we may have to face the same situation as we are now in.

We must not forget that we may face in the future with the serious situation of a great number of homeless from natural disasters such as typhoons or even earthquakes. To be on the safe side we may have to aim at a target higher than 150,000 units.

Site Formation Of Reserved Building Sites. Government has reserved certain building sites either for resettlement or for low-cost housing to the Housing Authority and the Hong Kong Housing Society. I strongly urge that site formation of these reserved sites if vacant should be commenced forthwith in order to co-ordinate with the building programme.

Tenants Of Excluded Buildings. It is a moot point as to whether the tenants of excluded premises should be in the priority list or not. I would suggest that if they were 'genuinely homeless' and were able to offer to Government a sum of money as advance of rent like tenants of dangerous buildings they should be considered for resettlement.

Advisory Housing Board. Finally, I welcome Government's intention to appoint an Advisory Housing Board to co-ordinate the Resettlement Department, the Housing Authority and the other housing societies. Co-ordination of various departments and housing societies was first suggested by the Special Committee on Housing in 1956 and was strongly urged by the Working Party in 1963.

The importance of such a Board cannot be overlooked and Government should proceed to appoint this Advisory Board without any further delay.

Sir, with these observations I support the resolution before Council.

MR SZETO WAI: —Your Excellency, the "Licensed Areas" as proposed in the White Paper will be located on lands that will not be required for development in the foreseeable future. These sites are likely to be hilly and will require site formation to some extent to allow adequate means of access and movement in times of emergency.

They have to be levelled, graded and terraced as economy and time will permit, and laid out with special regard to safety from risk of fire and landslides. Adequate surface drainage should also be provided to prevent health hazards and flooding in times of heavy rains.

As regards the construction of the huts, these should be built as far as possible with fire-resistant materials, such as asbestos cement sheets and steel angle frames and concrete floors. A minimum acceptable standard of floor area should be prescribed with similar requirements in lighting, ventilation and ceiling height.

As the size of the huts and therefore the site area will vary according to the required accommodation, licence fees for domestic structures should vary in place of the flat rate of \$3 proposed.

In view of the standard materials required in the construction of the huts, it will be desirable for Government to control the sale of materials on site by approved dealers from whom the licensees may purchase their materials and erect their own huts to prescribed layout and standards.

I may venture one step further and suggest that Government undertake the construction of the huts by appointed term contractors at the cost of the licensees, for mass production of standardized structures will prove more economical and result in greater uniformity.

Building Programme. Sir, in spite of our tremendous achievements in the resettlement housing programme, it is alarming to think that there still remains a backlog of over half a million units. This backlog is further aggravated by an annual increase of 30,000—an estimate which will inevitably be swelled by the accelerated though justified enactment of the Dangerous Buildings Ordinance.

The fulfilment of a building programme of such staggering magnitude is surely a colossal task.

The White Paper indicates that in the past physical capacity and not finance has been the limiting factor in the production of resettlement housing, and this limitation lies chiefly in the clearing and construction of the sites for the buildings and the construction of the engineering services, while the erection of the buildings themselves is a comparatively simple task with predictable progress.

Redoubled effort must therefore be made to overcome these difficulties. Early planning will ensure timely resumptions of the land and expedient construction of the engineering pre-requisites.

Site formation is often a time-consuming operation, especially when extensive rock formation is encountered. Most of our local contractors

are not equipped for efficient execution of such work, the lack of mechanical plant being the usual cause of slow progress.

As shortage of labour will likely continue for some time, the rate of buildings may be improved by instituting measures such as: —

1. the erection of taller blocks to reduce site formation work, as this will result in higher density of development for the same site acreage or same density with smaller site area,
2. more extensive use of mechanical plant on site formation work, and
3. adopting modified building methods that are suited for repetitive and standardized construction by utilizing pre-cast units wherever possible.

The adoption of these measures will necessitate overhauling the present limited resources of our local builders and may result in initial setbacks, but with the general trend of labour shortage and the vast building programme ahead, it may well merit serious consideration.

Slum Clearance. Sir, I would now like to dwell a little on the problem of slum clearance—a problem which is as closely related to housing as it is to town planning. This matter was raised at the last Budget Debate by my honourable Colleagues, Mr R. C. LEE and Mr F. S. LI.

It is gratifying to learn that Government has now embarked on an inter-departmental study of the factors involved, and no doubt the public will be anxious to know the results and recommendations from this study.

In his Budget speech, Mr R. C. LEE stressed the importance of safeguarding the small owners' interests, realizing that the task of slum clearance would involve tremendous difficulties that are beyond the scope of the small owners. To clear slums and redevelop in piecemeal fashion is comparatively easy as it is now being carried out over many parts of the city, but the difficulty lies in how to prevent these new haphazard re-development schemes from fast becoming new slums—a concern expressed by Mr F. S. LI.

Slum clearance cannot be attempted alone; it must be accompanied by urban renewal schemes that are designed with due regard to the overall planning of a city. It is therefore my earnest hope that the inter-departmental study now being conducted will evolve a pilot scheme that sets its aim not only on housing but on sound urban renewal principle of modern conception similar to those now being pursued in many cities in the United Kingdom and other western countries.

Blighted Areas. Sir, there are many blighted areas in our city that are ripe for clearance and I hope Government will now embark on the planning of a scheme for one of these areas that will result in a development which will not merely produce housing units on a given site, but will include shopping, recreational, cultural and welfare facilities, comparable to the Dockyard Land project but of lesser magnitude.

Prime consideration must be given in such a scheme to the control of motor traffic in relation to the layout and its approaches.

The planning of the pilot scheme will afford an opportunity of studying the problems of acquisition and unification of the land by the introduction of new legislation and the best method of finance to implement such a scheme. The experience thus gained will open the way to new possibilities and overcome obstacles involved in urban renewal and help to some measure to reduce the haphazard redevelopment which is now taking place.

Sir, with these observations, I support the resolution before Council.

MR DHUN RUTTONJEE: —Your Excellency, in conclusion, I can think of nothing more appropriate than to quote the words so ably said by Sir Edgeworth DAVID when speaking as Colonial Secretary in this Chamber some years ago, "when all has been said in this debate, when the debate has concluded, when the Council Chamber has emptied, the lights are turned off and the doors are closed, the measure of our success will not lie in the speeches we have made today, it will not lie in the plans which we may hammer out on paper tomorrow, nor even in the figures which form the subject of this motion. The measure of our success will lie in the real and effective contribution which we can make during the coming year to the wellbeing and happiness of the people who live within our borders and to the solution of their problem." He was referring, Sir, to our Problem of People which is a problem of Housing.

Finally, Sir, you have already heard some of my unofficial colleagues this afternoon, and I would like to add that all my other unofficial colleagues of this Council will support the resolution.

Before taking my seat, Sir, my Unofficial Colleagues would like to place on record our thanks and congratulations to the Working Party for their decisive and precise report.

THE COLONIAL SECRETARY: —Sir, I very much welcome the general support which my Unofficial Colleagues have voiced today for the policies set out in the White Paper now before Council. This support will enable us to move forward with greater confidence in tackling our tremendous problems. I am also grateful to my honourable Friends

for the evident care and thought which they have given to these problems and for the many useful and detailed suggestions which they have made. I can assure them that they will all be given close attention. Clearly they will not expect me to answer this afternoon all the points which have been raised. But I would like, in winding up the debate, to make some reference, if only in a rather general way, to some of the matters on which honourable Members have spoken this afternoon.

I was pleased to note the support which a number of my honourable Friends have given to the proposals for investigating slum clearance and for setting up an Advisory Housing Board or Committee, charged with oversight of housing policies, and as I said two weeks ago, we are engaged in formulating proposals for its composition and its terms of reference. On slum clearance, I shall certainly be referring to the Chairman of the Working Party the comments of my honourable Friends, Mr WATSON and Mr SZETO Wai. I might also mention again that the Working Party has been asked in its terms of reference to consider means of associating private lessees or enabling them to participate in any official scheme for slum clearance. This may meet my honourable Friend Mr FUNG's point that every incentive be given to private developers to share in this kind of work.

Several of my honourable Friends have stressed the importance of ensuring that Licensed Areas and also Resettlement and Low-cost Housing Estates are located in areas reasonably accessible to public transport and to centres of employment. In planning new housing estates these needs must of course be most carefully considered. In moving this Resolution two weeks ago I said that these estates will have to form an integral part of new towns with essential public services, including transport and opportunities for employment. Our aim will therefore be to plan for balanced, long term development of these new centres of population. But with Licensed Areas, we have not got quite the same freedom to choose and plan. Their selection must be determined principally by the need to use sites which are not likely to be required for early development. This inevitably points to the choice of remoter areas, but, even so, we shall not overlook the need for reasonable means of communication.

May I now turn to the helpful comments by my honourable Friend, Mr SZETO Wai. As to huts in Licensed Areas, the main purpose of controlling the siting of huts in Licensed Areas and the materials with which they are built is to reduce the fire risk, and this will generally result in conditions for the inhabitants that are more orderly, safer and healthier than they could be in haphazard squatter structures. At the same time, we must not overlook the fact that it is the occupants themselves who are paying for their huts, and it is essential to keep costs to the minimum compatible with safety requirements and this, I think, means leaving to the inhabitants freedom to build themselves or

engage a contractor. For the same reason, and also to avoid the risk of malpractices, it would not, at first sight, seem to me to be wise to approve dealers in building materials. My honourable Friend also suggested a variable monthly fee for domestic structures instead of the flat rate of \$3 proposed in the White Paper. Variable rates are proposed for non-domestic structures, but the \$3 fee for a domestic structure is scarcely more than a token sum, and bearing in mind the advantages of simplifying the assessment and the collection of this fee, I doubt whether it would be desirable to depart from the flat rate proposed.

My honourable Friend, also offered some valuable comments on building methods for resettlement estates. I think my Colleague, the Director of Public Works, would probably agree with me that in fact we are already making the fullest economic use of the sites available for these estates—the new 16-storey Mark *IV* block is one example of this. But as the new technical planning work proceeds, there is bound to be an expansion of site formation work and contractors will therefore have every incentive to increase the mechanization of their operations. I do not feel, however, that we should take a direct initiative in this responsibility, which is, I think, essentially one for the contractor, but, as I have said, the opportunity for such increased mechanization will grow steadily if we are to fulfil the objects of the White Paper. It has not, I believe, been possible so far to make extensive use of pre-cast units, as my honourable Friend has suggested, due to the lack of local manufacturing facilities. But the Public Works Department in its planning of the Mark *IV* resettlement block is using repetitive and simplified form work, and I understand that no opportunity is lost to investigate fresh possibilities of speeding up and standardizing building methods.

Turning now to the question of resettling tenants from condemned buildings, I have noted that a number of my honourable Friends consider that the advance payment of rent proposed may prove too heavy a burden for some families. When I said that the proposed down payment of \$400 a head was more generous and equitable than the Working Party's recommendation that the tenants should surrender all their eventual compensation, I was, of course, referring in the first place to the further proposal that the deposited sum would gradually be refunded over a period of time by a reduction in rental charges, and secondly, to the fact that the sum will bear some relation, which the surrendered compensation would not necessarily do, to the size of the family and of its resettlement accommodation. I doubt if we are in a position to say categorically to what extent and in how many cases the deposit required will exceed the compensation due. But, clearly, where special hardship arises we may have to consider special arrangements. In any event in the light of my honourable Friends' remarks I would like to say that Government is willing to give further thought to the exact details of these proposals.

My honourable Friend Mr Woo also discussed the general problem of dangerous buildings. Government is very conscious of the difficulties confronting tenants of buildings which have suddenly, but for very necessary reasons, been made the subject of a Closure Order, and we are looking further into speeding up the procedure for payment of compensation. But it is already apparent, I think, that any changes in procedure that can be made will not necessarily put money into the hands of tenants at the actual time when, in the interests of the safety of themselves and their families, they must be prepared to move. This is what causes anxiety in their minds, and we are considering at this moment ways in which we can meet and overcome this problem too.

Mr Woo also referred to the recent increase in the number of dangerous buildings closed. It was, of course, our awareness of the serious condition of many prewar buildings which led to the setting up of a special Dangerous Buildings Unit in the Buildings Ordinance Office. Perhaps I might digress for a moment to say that I am sure all of us here are very conscious of the difficult decisions confronting the Director of Public Works and his officers engaged in this work and I would like to pay tribute to the care and thoroughness with which every possible alternative is examined before a Magistrate is asked for a Closure Order. It is difficult, I know, for ordinary people to appreciate the extent of the risks involved, least of all when they are personally affected by a Closure Order, but the Director of Public Works and his staff do not condemn buildings unreasonably and I am sure responsible people understand and appreciate this.

My honourable Friend, Mr GORDON, commented on the question of removing squatters from roof tops and private land, and pointed to a distinction between the proposal of the Working Party that landlords should be prosecuted for failure to report newly erected structures and the proposal in para. 13 of the White Paper. I hasten to say that my honourable Friend is correct and that the passage of the White Paper suffers from over-compression. At the same time I see no reason for departing from the provisions of section 11 of the Resettlement Ordinance and imposing any additional obligation on Government to remove squatters from private property or land unless the landlord is unable to do so himself.

Finally, Sir, several speakers have urged that in concentrating our efforts and resources on resettlement and low-cost housing we should not neglect the housing claims of other sections of the population. I do not think that Paragraph 31 of the White Paper advocates that we should. It merely holds out a warning that if, and only if, our resources cannot run to doing all we want in all directions, then we must recognize that by adopting the building programmes and targets in the White Paper we are deliberately choosing to give priority to one particular

form of housing, and that is the one for which there is obviously the greatest need. This, with all due respect of Mr GORDON, is not, I think, a matter of robbing Peter to pay Paul. It is a question of deciding to give to Paul rather than to Peter, if we haven't enough to give each of them what they need.

Sir, may I once again, thank my honourable Friends for their support, as well as for their valuable suggestions. I now beg to move that the Resolution before Council be adopted.

The motion was put and unanimously agreed to.

### ADJOURNMENT

HIS EXCELLENCY THE GOVERNOR: —That concludes the business for today, gentlemen. When is it your pleasure that we should meet again?

THE ATTORNEY GENERAL: —May I suggest this day fortnight, Sir.

HIS EXCELLENCY THE GOVERNOR: —Council stands adjourned until this day fortnight.