

19th March, 1952.

PRESENT:

HIS EXCELLENCY THE GOVERNOR

SIR ALEXANDER WILLIAM GEORGE HERDER GRANTHAM,

G.C.M.G.

HIS EXCELLENCY THE COMMANDER BRITISH FORCES

LIEUTENANT-GENERAL SIR TERENCE AIREY, K.C.M.G., C.B., C.B.E.

THE HONOURABLE THE COLONIAL SECRETARY

MR. ROBERT BROWN BLACK, O.B.E.

THE HONOURABLE THE ATTORNEY GENERAL

MR. G. E. STRICKLAND, Q.C., *Acting.*

THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS

MR. RONALD RUSKIN TODD.

THE HONOURABLE THE FINANCIAL SECRETARY

MR. ARTHUR GRENFELL CLABKE.

THE HONOURABLE THEODORE LOUIS BOWRING, O.B.E.

(Director of Public Works).

THE HONOURABLE DOUGLAS JAMES SMYTH CBOZIER.

(Director of Education).

THE HONOURABLE YEO KOK CHEANG

(Director of Medical and Health Services).

THE HONOURABLE KENNETH MYER ARTHUR BARNETT

(chairman, Urban Council).

THE HONOURABLE CHAU TSUN-NIN, C.B.E.

DR. THE HONOURABLE CHAU SIK-NIM, C.B.E.

THE HONOURABLE LEO D'ALMADA E CASTRO, Q.C.

THE HONOURABLE PHILIP STANLEY CASSIDY.

THE HONOURABLE MAURICE MURRAY WATSON.

THE HONOURABLE CHARLES EDWARD MICHAEL TERRY.

THE HONOURABLE LO MAN WAI, O.B.E.

THE HONOURABLE NGAN SHING-KWAN.

MR RONALD THOMPSON *(Deputy Clerk of Councils).*

MINUTES.

The Minutes of the meeting of the Council held on 5th March, 1952, were confirmed.

PAPERS.

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

	<i>Subject</i>	<i>G.N. No.</i>
Sessional Papers, 1952 :—		
No. 6—Annual Report of the Co-operative and Marketing Department for the year 1950-51.		
The Summer Time Ordinance, Chapter 152.		
	Order under section 2 (1)	A. 39
The Quarantine and Prevention of Disease Ordinance, Chapter 141.		
	Declaration under section 18	A. 42
The Defence Regulations, 1940.		
The Price Control Order, 1946—Amendments to the Schedule		
		A. 43
The Defence (Firing Areas) Ordinance, Chapter 196.		
The Defence (Firing Areas) (Schedule Amendment) Order, 1952		
		A. 46
The Defence (Finance) Regulations, 1940.		
The Possession of Gold (Goldsmiths) (Amendment) (No. 2) Order, 1952		
		A. 47

APPROPRIATION FOR 1952-53 BILL, 1952.

THE FINANCIAL SECRETARY moved the Second Reading of a Bill intituled “An Ordinance to apply a sum not exceeding two hundred and eighty five million two hundred and seven thousand one hundred and ninety dollars to the Public Service of the Financial Year ending 31st March, 1953”.

THE COLONIAL SECRETARY seconded.

H.E. THE GOVERNOR:—Does anybody wish to speak on this Motion?

HON. CHAU TSUN-NIN, C.B.E.:—Sir, as the Estimates of Revenue and Expenditure have already been dealt with in Committee, I do not propose to dwell in detail upon those various items which make up the Budget.

Your Excellency in your exhaustive resume of the events of the last financial year, has covered every Department of Government so very thoroughly that little of importance remains to invite our comment.

The picture which Your Excellency has so lucidly presented depicts the grim reality of our declining trade and the new, intensified competition from Japan with which we have to deal. We welcome this frank exposition, for there is no point in hiding our heads ostrich-like in the sand. Instead we must meet the challenge of prevailing abnormal conditions with that same resolute courage which has carried this Colony through more than a century of vicissitudes to its prosperity of today.

Your Excellency's expression of confidence in our future is most encouraging, and we both admire and heartily endorse your wise decision to proceed with such constructive developments as the new reservoir and the two great reclamation works upon one of which our City Hall will eventually stand, and we note with pride that this year's programme will be the largest ever undertaken by the Public Works Department.

This solid planning strikes a note of optimism which no mere words can properly convey. Perhaps it would not be amiss to infer that there is evident in these vast new schemes a local manifestation of the general renaissance throughout our British Commonwealth of Elizabethan initiative and enterprise.

In previous years my principal interest has been in Education, and so it remains today. Therefore I find it extremely gratifying to note that the allocation made to this Department is almost double that of last year. We still sadly lack sufficient schools to cope with the very large number of children still awaiting admission although nearly seven years have elapsed since the liberation of the Colony.

I earnestly hope that by the time the next Budget comes round we shall find that this problem has been adequately solved. I feel quite confident that our present Director of Education is one who will tackle it both energetically and scientifically to achieve the desired result.

Yet once again I wish to express my deepest appreciation of the splendid work of the Hong Kong Police Force in maintaining peace and good order. I should also like to stress our entire agreement with the commendation given by the Secretary of State in the House of Commons to this gallant body on its steadfast discipline and extreme forbearance during the recent disturbance in Kowloon.

Other Commonwealth countries may well envy us this fine organization of men and officers. Its Commissioner is one of the best and ablest of all those competent Department Heads we are so singularly fortunate to possess in our administration. Already well-versed and bearing the highest credentials when he first came to us, he has here, by his firm humane enforcement of law and order, won widespread acclaim reaching far beyond our own narrow boundaries. At one time we feared greatly that we might lose his valuable public services, and we count it a great good fortune that we still have him with us today.

The Press has very rightly described this as a "Painless Budget" and with this view we all agree. I would like to congratulate my Honourable Friend the Financial Secretary on his being able to present such Estimates. When he sounds a note of warning regarding a possible increase in taxation should economic conditions worsen unexpectedly, I can only believe he has inherited a pessimistic outlook from his predecessor. In this connexion, Sir, I should like to mention that all the Chinese Members of this Council have received representations from the Chinese General Chamber of Commerce against any additional taxation under the prevailing adverse trade conditions. They feel that any such extra burden would be crippling.

True, our trade has not been as robust as one would have wished, and the possibility of windfalls is unreliable, but I see no reason whatsoever why we shall not, with good Government and ordered economy, plus the enterprise, energy and experience of our citizens, continue to brave the storms of to-morrow as we have weathered those of yesterday.

Our local industries labour under a temporary handicap which, as Your Excellency has pointed out, no tariff barrier could remove—the regrettable fact that our keenest competitor in both Asian and world markets has ready access to cheap American raw materials from which, through no fault of their own, our manufacturers are to a great extent debarred. We all feel that such discrimination against this Colony which has sacrificed much and

contributed no little to the common cause in Korea is both unfortunate and unwarranted. We trust that it will be discontinued soon with the arrival of our friends across the Pacific at a truer understanding of our delicate position and of the importance this small outpost of democracy plays in contributing to the overall stability and peace of the Orient.

A primary requisite in the maintenance of our present economy without the drastic step of undesirable new taxation is the curtailment of unnecessary spending by Government departments. The use of stationery and other materials, all of which have lately increased many times in cost, should be rigorously cut to the bare minimum.

If I may be permitted to say so, there is evidence of recklessness in the departmental use of papers. Members of this Council will have noticed that they are sometimes presented with more than one set of papers recording its proceedings, and, only recently, we have been sent duplicate sets of the Estimates of Revenue and Expenditure together with yet another duplicate set of the Honourable Financial Secretary's Memorandum on the Estimates, and I see another copy in front of me here to-day.

All this means undue waste of valuable material adding up in the course of a year to a not inconsiderable drain on the taxpayers' money. It should not be too difficult to plug these "Little leaks which sink the ship" if responsible officials will only ensure that distribution of printed Government documents is more carefully regulated in accordance with actual requirements.

In conclusion, Sir, I should like to associate myself with Your Excellency's hope for peace and a subsequent upsurge of business activity.

We must all admire that statesmanlike attitude which disdains the shadowy fears of the faint-hearted and concentrates rather upon great new creative efforts such as begin to take shape in this year's impressive Budget—progressive plans vital to the continued progress and prosperity of this Colony which is to so many our permanent home.

In these trying times when passion and hysteria are, alas, only too prevalent in the world about us, our Community of Hong Kong draws much confidence and comfort from Your Excellency's calm, clear-sighted and inspiring leadership.

We regard it as a matter for congratulation that we have been granted yet two more years of this wise guidance, and we shall find yet greater cause for rejoicing if those two years of Your Excellency's extended stay may, by future happy chance, be increased further to a full five. (Applause).

DR. HON. CHAU SIK-NIN, C.B.E.:— Sir, I listened with great interest to Your Excellency's comprehensive address a fortnight ago on the Colony's affairs. In planning for the future Your Excellency struck a confident note, and what has now become the Colony's watchword: "bold but not reckless; cautious but not timid", will be echoed by all.

There is very little I have to say about the Estimates themselves as they have been considered in detail by the members of the Finance Committee; but, to-day being the Unofficials field-day, I will take advantage of the occasion to air some of my views.

Your Excellency's reference to the absence of epidemics is indeed refreshing, and that there was not a single case of quarantinable disease is a record of which the Colony is justifiably proud. The vigilance and efforts of the Medical and Sanitary authorities in bringing about such a happy state of affairs are most praiseworthy.

The news that the long awaited B.C.G. campaign is at last to be put into effect is welcome news indeed, and it is with happy anticipation that I look forward to a substantial drop in the childhood deaths from tuberculosis, which at present account for over 25% of all tuberculosis deaths. The much publicized relatively high resistance of the Chinese is fast being overbalanced by massive infection and it is to be hoped that the inoculation of babies and young children will place the disease in a better perspective.

I am glad to note that it has been considered fit to put forward the erection of the new Kowloon General Hospital. My Honourable Friend the D.M.H.S. has requested a 1,000-bedded hospital and I am firmly of the opinion that he is justified in asking for it. The growth of Kowloon and the New Territories warrants a hospital of more realistic proportions than the 400 beds proposed, and even if the population returns to normal, a 1,000-bedded hospital would not be too large. The \$14,000,000 allotted for this purpose is quite a generous sum. I believe that with a little prudent planning and adjustment, the extra cost required for

1,000 beds is comparatively small, and I would urge my Honourable Friends, the D.M.H.S. and D.P.W. to get together on this matter and contrive to give us a hospital that will reasonably meet the needs of the community. After all, if the job is worth doing at all, it's worth doing well.

I am glad to see that provision has been made for 3 new bath-houses and latrines to be put up in the more congested areas of the Colony. More bath-houses and public latrines are still urgently required and should be provided for as soon as funds could be made available. Last year over a million people used the only seven bath-houses we have in the Colony. An average of over 400 persons attended daily at each of these seven bath-houses. It is not difficult for any one to visualize what the conditions are in these establishments with such an excessive attendance.

The public latrine facilities that are available in such densely populated districts as Shamshuipo, Yaumati, Saiyingpun fall far short of requirements with the result that out-of-way nooks and crannies and side-lanes are being frequently made use of to the detriment of public health. In these days of serious housing shortage it is not uncommon to find a number of families comprising 20 or more persons sharing one tenement flat where the kitchen serves all other purposes besides preparation of meals. To a great number of these dwellers of tenement flats, public latrines and bath-houses are essential requirements.

Turning to education, it is accepted that the need for more primary schools has first claim on public funds devoted to this department, but Government will no doubt also bear in mind the need for expansion in other educational fields. Thus we shall be faced with the necessity of making a proportionate increase in the number of secondary school places so that the more promising children in our new primary schools may not be denied the right of full development of their faculties. It is to my mind, a great pity to open the gates of learning to a child and then when he reaches the all important and most impressionable age to slam them shut so that he is forced, either to grope in the dark or to seek secondary education elsewhere.

One partial solution to this problem might be to increase the provision for secondary classes in Grant-in-Aid Schools. At present there are approximately 14,000 children enrolled in these schools, 7,000 of whom are in primary classes. The proposed subvention to grant schools for running costs amounts to

\$5,460,000 or \$390 per child. When these figures are compared with the amount paid to subsidized primary schools in respect of over 38,000 children, namely \$4,482,000 or \$118 per child it will be seen that the grant schools get a very generous proportion of the total amount of government assistance to voluntary schools. It would not be unfair, therefore, if they were asked to devote a greater part of this grant to the provision of secondary classes. The adoption of such a suggestion would not eliminate the need for more Government secondary schools, but it would enable Government to provide more fully for secondary education without too great a diversion of building expenditure away from the primary schools.

Then there is the need for education beyond the primary stage, in schools having a more practical bias in their curricula and I am glad to learn that it is proposed to establish in the near future a post-primary vocational school for girls. Consideration must also be given to the expansion of Technical Education and to the need for establishing close relationship between commerce and industry and the Education Department. This Colony is being faced with an increasing degree of competition from abroad, as Your Excellency has stated, and it can only meet this competition if firms, factories and public services are maintained at a high rate of efficiency. In an economic sense, therefore, the development of Technical Education appears to be a prime necessity and the report of the Committee on Vocational Training and Technical Education recently appointed by Your Excellency will be awaited with interest.

Coming to the Police, the excellent work done by the Force during the past year in the face of many difficulties deserves the highest commendation. Once again the Commissioner and his men have earned the gratitude of the community. The huge sum of \$30½ million will be expended on our Police Force in the coming year but we do not begrudge this wise and necessary expenditure.

Whilst on this subject, I should like to make a few comments with regard to Road Traffic in Hong Kong. For the size of this Colony there is a disproportionate number of motorists using the all too few and narrow roads, and with the manifold perils this naturally entails, road traffic must necessarily affect each and every member of the community.

No one can deny that the Colony is congested, congested with road traffic and congested with the ever increasing number of

pedestrians. In 1939 there were some 6,000 motor vehicles in the Colony and, I understand, the authorities of that day considered that this figure was closely reaching a number which would be deemed the saturation point in a place as small as Hong Kong. To-day there are some 16,000 motor vehicles registered in the Colony not to mention those used by the Armed Forces, and I hardly need mention, the streets are congested with pedestrians beyond all comparison with the tranquil pre-war days. A few months ago my Honourable Friend the Attorney General presented this Council with some remarkable figures concerning the density of traffic in Hong Kong compared with that of the United Kingdom and elsewhere. From those figures it is clear that there are few places, if any, where traffic problems are greater than in Hong Kong and I consider the time is long overdue for this subject to be treated with the importance and priority it requires.

Unlike some of the large cities throughout the world, we permit a high percentage of street parking notwithstanding the adverse effect on traffic flow. The allocation of a considerable acreage of land, whether it be above or below ground, is quite essential for use as car parking areas and sooner or later, this problem will have to be tackled with realistic and resolute action on the part of Government. In planning the new Central Reclamation we must give careful thought to car parking requirements and ensure that the best possible use is made of the land to become available. The aim should be to provide additional parking, and as far as possible, to remove street parking from those streets in the City centre which are obviously too narrow and are thus the cause of the traffic jams which frequently occur.

A survey of the records will show that as the volume of traffic has increased, so has the number of road accidents. This condition persisted until the year 1949/50 when a record number of 9,178 road accidents was recorded as against 6,572 for the year 1948/49 and 5,329 for the calendar year of 1947. Road accidents continued to occur daily at this high rate until the summer of 1950 when it appears the Traffic Branch took the matter carefully in hand. As a result an appreciable reduction in the number of accidents was recorded, and the figures for 1950/51 were only 7,510 as compared with 9,178 in the previous year. It is to be hoped that this downward trend will continue. Road accidents at night are frequently caused, directly or indirectly, from the glare of motor vehicle head-lamps, particularly in urban areas during wet weather when the road surface acts as a glistening

mirror. In some large cities the law prohibits the use of head lamps in built-up areas. I think this rule should be introduced in Hong Kong but it might be impractical at the moment owing to the inadequacy of street lighting. Something should be done to provide this Colony with street lighting befitting a modern city, not only from a traffic point of view, but also with the view to better preservation of law and order.

Another cause of road accidents is due to the insufficient number and obsolete form of our traffic signals. We require proper automatic signal schemes as are being used in other metropolises, and improvisation by use of a policeman on point duty is a costly and ineffective substitute. To effect a further improvement in both traffic and pedestrian control we should make the widest possible use of safety railings, especially outside schools where children are prone to run straight out into a stream of traffic; and, a more suitable type of pedestrian crossing is necessary.

Great credit is due to the Traffic Branch for having executed its duties in such an efficient manner during the year.

The Commissioner of Prisons in his annual report disclosed that the average daily population of the prisons for males exceeded accommodation by 46%. That the Colony's prisons accommodation should be so seriously deficient is to be deplored. The building of a minimum-security prison in the New Territories which Government has in mind for the past two years has now become a necessity and should not, in the light of the conditions existing in our prisons, be deferred any longer.

While on the subject of prison accommodation, I should like to say a few words regarding the incidence of juvenile delinquency in the Colony. Last year the courts dealt with over 54,000 cases. Many of these cases, however, cannot really be considered criminal, for the misdoings amount to no more than bootblackening or hawking without a licence. Given half a chance these children would prove to be useful citizens. If, however, we treat them as criminals, it does not require too great a stretch of imagination to understand why some of them eventually do become criminals in the true sense of the word. We need to adopt a progressive outlook towards this problem, for these children are the products of the social and economic conditions of our times. A few voluntary organizations are rendering most excellent service in this branch of welfare work and deserve encouragement. Government's proposed new institutions and

scheme for juvenile reform are welcome steps, but much more is still required if we are to redeem these unfortunate youths and turn them into worthwhile citizens, thereby ensuring in time, a decline in our prison population.

My Honourable Friend the Financial Secretary announced at our last meeting the proposal to increase the betting tax from 3% to 5% and I note that the duty in liquor has been stepped up as from yesterday. No one will question the justification of this kind of painless extraction. Government's huge programme of development will cost a great deal of money, and it is appreciated that if additional amenities and services are required, they must be paid for. Should further revenue have to be found, I would ask Government most earnestly to bear in mind these forms of indirect taxation, in preference to any increase in direct imposition on the comparative few in the community who are already bearing an unfair share of the burden.

The community received with great satisfaction the Honourable Financial Secretary's maiden Budget which does not propose any painful taxation. We are all grateful to him for his lucid review of the year's financial affairs and the manner in which the Budget was introduced has confirmed the community's faith in his ability and skill. The Colony is indeed fortunate in having its finances in such capable hands.

With these remarks, Sir, I beg to support the motion on the Bill before Council. (Applause).

HON. LEO D'ALMADA E CASTRO, Q.C.:— Sir, to Your Excellency's question "Does anybody wish to speak on this Motion?" my honest answer would be "No". Not from any inertia, not from any apathy, but by reason of the fact that between the presentation of the Budget at the last meeting of this Council and to-day we Unofficials have had more than one opportunity to examine it and to discuss it in Committee so that much of what I for one at any rate am going to say to-day has already been said before. It is well, however, I think that the public should know our views and this perhaps is the best way of acquainting them with those views.

I will begin my remarks by echoing the concluding ones of the last speaker and say that I too wish to congratulate the Honourable the Financial Secretary upon his very able presentation of the Budget at our last meeting. I listened to it with very great interest—more interest I think than I was able to display on previous occasions when other speakers have discharged

this duty, and an eloquent testimony of the quality of this speech, I think lies in the fact, if one may take unofficial notice of the existence of a gallery, that in that gallery was a lady, not unrelated to my Honourable Friend, which lady listened throughout with rapt attention.

Sir, this budget of nearly \$300 millions took my mind back to my first budget some fifteen years ago when, as until then I had been dealing with a budget for two persons only, the figure of \$26 million struck me as something really phenomenal. To-day we deal with a budget of over ten times that figure and, heavy as it is, I cannot help regretting the absence from it of certain items of public works which are very much needed. I take for one example the provision of a post office in Kowloon, not so much because that would render better facilities in that particular department as for this reason: that the demolition of the present building will make available a site very much needed for the improvement of the concourse around the Star Ferry. It seems to me that until that building is removed and with it the columnade leading from the Railway Station to the ferry wharf, little can be done to improve the situation there. It seems to me also that it will be wrong in principle and in practice to await the completion of the reclamation in Hong Kong before proceeding with the improvement of the circus in Kowloon.

The retort to my plea that that concourse really cries for improvement may be this: you are adequately provided there with islands for pedestrians, you have spaces where persons waiting for buses may stand. That is very true. We have a veritable archipelago of islands in- that concourse but the trouble with them is that each of them is too small and they provide a really precarious refuge. Stand there while you await transport and a bus grazes your back while a military lorry just misses the third button of your waist-coat. I may be accused, as I frequently am, of exaggeration; if I have exaggerated Sir, it is only very slightly.

I mentioned that these improvements should not await the reclamation on Hong Kong side without which the new ferry piers cannot come into being and this again leads me to urge that that reclamation should be treated as a matter requiring the top priority of the Public Works Department. I have in the past dealt with this subject of ferry convenience for persons having to cross the harbour, and if I refer to it now it is only because in my belief and in that of the very large number of persons in this Colony, it is a matter requiring urgent and serious attention.

You have only to glance at the Star Ferry piers on both sides of the harbour to be really alarmed at their condition. It is true that extensive repairs are put in hand every year and that every effort is made for their safety, but a time may well come, and sooner than we imagine, when those wharves will no longer be able to stand up to the strains and stresses imposed on them. Apart altogether from the element of danger there is this to be considered. The number of persons travelling on these ferries nowadays is so large that the Star Ferry Company has been hard put to-day to accommodate them not only on the launches, but on the piers themselves. I give them full credit for their ingenuity in adapting and improvising those measures which have resulted in a much quicker flow of traffic than would otherwise have been possible. None the less the whole set-up both in Hong Kong and in Kowloon is somewhat reminiscent of Heath Robinson and certainly does no credit to twin cities of the size of Kowloon and Hong Kong.

Sir, Unofficials being always suspected as to their motives, after that tribute to the Perry Company I had better say here and now that I do not own a single share in it.

Another item of public works upon which I would like to say a few words is the proposed new Kowloon Hospital. The subject having already been dealt with very fully by my Honourable Friend the speaker before me it is not necessary for me to say more than that I urge, as he did, that that hospital be not cut down from the size recommended by the Honourable the Director of Medical Service because we feel that in so doing we might save a bit of money. Kowloon badly needs a large hospital and the sooner we get on with this one the better. I look forward to the time when that hospital is ready because it means the removal from the present site of the Kowloon Hospital, a removal necessitated by the requirements of Kai Tak and modern aviation and I recommend that a note be taken of my suggestion for the future employment of the hill upon which the hospital now stands. It is obvious that no other building can be erected there because that would defeat the object of removing the present one, and I sincerely hope that Government will not succumb to this, to the very great temptation of a yield of revenue from the sale of the land after, for example, levelling the hill. Kowloon is very badly in need of parks and that would be an ideal site, Sir, for a park and playground for children by which I mean really small children and not the rather grown-up ones who clutter up other playgrounds which are provided both in Kowloon and Hong Kong.

Taxation, Sir. Further taxation mentioned by My Friend as inevitable is indeed so and I do not think that anyone except the inebriated can seriously complain of the liquor tax published in the papers this morning. I note that in his estimates for the coming year, taking courage in both hands, the Honourable the Financial Secretary has estimated a yield of \$60 millions from Earnings & Profits Tax. That, he tells us, is based on a greater efficiency of the collection which he expects from that department by reason of an increase in staff which has for some time been badly needed. That remark is of special interest to me because when I first saw mention of this increase in the estimates I was inclined to link it with another item of estimated revenue—the Business Registration Tax—from which my Friend expects \$4 million. I thought perhaps that his increase, or estimated increase, in income tax (if I may call it that) was based perhaps on the fact that a Business Registration Tax would greatly assist in increasing the other one. That, he assures me, is not so, wherefore I, for one, am confident that so soon as the Registration of Business Names Ordinance is passed, an even greater revenue may be expected from that particular Department.

I feel that some remark should be made in connexion with the very heavy cost of administration in this Colony. I make it for this reason, that some two or three years ago we were visited for many months, I think, by an Efficiency Expert who, after a careful examination of the various Government Departments, made a report on the subject of his investigations. I asked, I think, at a meeting of this Council some two years ago whether the then budget reflected in any way the result of this visit and, if I remember rightly, the answer was no. I do not recall whether we have been told anything further in connexion with that report since I asked the question and it would be of interest to me, Sir, as a member of this Council, as well as of interest to the public generally, if we could be informed whether the result of this visit has been a greater efficiency and certain specific economies in the administration of Government.

Sir, this painless budget—a term employed by the speakers before me, and a term eminently suitable to the budget, the first budget presented by My Honourable Friend—is one I shall vote in favour of. (Applause).

HON. P. S. CASSIDY:—Your Excellency, I, too, would like to add my contributions to the many congratulations, both inside this room and out, which My Honourable Friend has received

after presenting his first budget. He seems to be following the example of the tradition of his experienced predecessor, but I have sufficient confidence in his ability to feel that he can strike out on a line of his own whenever necessary. His length of service here has given him a close insight into our many problems and I am sure he would be the last to discourage a progressive policy provided the funds can be made available.

Now, Sir, like My Honourable Friend who has just sat down, I also find some difficulty in adopting the role of critic after all the pains we had going through these estimates backwards and forwards, hearing Heads of Departments clamouring for a slice of this small piece of cake.

Now, I am a member of that sub-committee which went into the question of Capital Expenditure and I have subscribed to a report which recommends a limit of \$46,000,000 in any one financial year. I cannot, therefore, accuse my Honourable Friend of miserliness nor can I encourage him to throw discretion to the winds and budget for a substantial deficit. I confess that I have in the past deplored the provision of so much for posterity out of current revenue and I still retain that ill natured thought "What has posterity done for me?" At the same time I see no alternative to the prudent course in times like these and it is quite obvious now that we cannot raise a loan on reasonable terms. So we have got to make do with our normal revenue and fit our requirements into that.

Before I comment on the Budget itself I should like to say a word about Your Excellency's address which, if I may say so with respect, was most encouraging and has, I feel sure, the general support of the business community. "Cautiously bold" has been the policy which has brought us to a high level of trade activity after six years of endeavour. We are now receding from that level but we are probably in a far stronger position to meet a setback than we have ever been before. Fluctuations in trade are inevitable and I for one feel that a sharp reminder of that fact will do no serious harm. Your Excellency referred to the renewal of Japanese competition as a new and unpalatable factor. It may be but I suggest that we should not be frightened of it. We should be prepared to meet it and we should not forget that many of our local industries established themselves in markets of the Colonial Empire because of the pioneer work done by Japanese manufacturers. We got a footing in those markets because of the advantage of Imperial Preference and we still have that advantage. If we cannot exploit that and still beat the Japanese then I shall

take a rather poor view of our local industrialists. But in any case I hardly think that Japanese industry is going to have it all its own way. Costs of production must be considerably higher, relatively, than before the war and I imagine it will be a long time before Japanese shipping enjoys the subsidies which previously helped in marketing goods cheaply. No doubt from time to time Japanese goods may be dumped overseas to relieve congested stocks at home but taking a long view I doubt whether Japanese manufacturers will be able to compete as keenly as they have done in the past.

I am glad that my Honourable Friend has gone into some detail in dealing with the Colony's finances. The monthly statement which appears in the *Gazette* gives one the impression that we have an enormous credit balance. It is usually forgotten that advances on loan projects amount to a formidable figure and I agree that the real surplus is a much more modest reserve than we had been led to believe. But with it all we are in a pretty sound position to meet a reverse in fortune and we have reached that position without stinting ourselves or dodging our responsibilities. We ought to stand very high in the eyes of Her Majesty's Government for our efforts to pay our way and it is undoubtedly fortunate that we are not saddled with the consequences of a heavy public debt.

I am not going to attempt to follow my Honourable Friend through the Draft Estimates from page 1 to page 112. I shall content myself by a comment or two on those topics with which I am particularly concerned.

Statistics are inevitable these days and although they can be used for all sorts of purposes, good and bad, there is no doubt that our trade statistics were inadequate in a prodigal world which devotes too much time to unproductive labour. Outside the business offices of the Colony few people have the slightest idea of the vast increase in clerical work resulting from the new requirements—not to mention the windfall to the Treasury by reason of so many separate forms each bearing a dollar stamp instead of one form with a score or more of entries. But I quite understand that we must come into line with the rest of the world and provide in approved shape the statistics for international bureaucrats to juggle with.

It may be of interest to my Honourable Friend to know that I was delving in the Archives of the Chamber of Commerce yesterday and I was rather surprised to know that in the year 1925

the then Governor by a stroke of the pen brought an end to statistics in order to save \$44,000. The Chamber, of course, was rightly indignant about it but the Governor said the figures were never reliable, and saw no reason why we should go on spending money on unreliable Statistics. However, times have changed and so today we have to be prepared for a very much expanded Statistics Department.

Yesterday's announcement of increased duties on spirits confirms what some of us feared when we agreed to revision of certain items of expenditure. I am not the only one who was rather alarmed at my Honourable Friend's threat about increased taxation. I think he was right to warn us that the ambitious development programme will have to be paid for. I am convinced that the various projects are justified if we are to keep up with the demand of modern progress. I realize that as time goes on we shall have to face further taxation or search for fresh source of revenue. I am glad my Honourable Friend in this instance has not resorted to direct taxation, as my Honourable Friend Dr. S. N. Chau mentioned, and I have no doubt that he had in mind that when his experienced predecessor, two years ago, proposed to cover his deficit by putting up the standard rate of our form of income tax to 15% he was prevailed upon to compromise at a half way point and, as events have shown, that was sufficient for our purposes. I do urge, therefore, that no resort should be made to that particular tax until such time as the Department concerned can ensure its collections being on an equitable basis. In the meantime there is the business tax and the neon sign tax of the 1950 Budget which still have to see the light of day and I am convinced that there is a rich vein of revenue to be found in our advertising displays.

Last year the then Honourable Colonial Secretary assured us that everything was being done about the Airport and that we should receive full information about future plans as soon as the Government was in a position to make a statement. Some of my colleagues of the General Chamber of Commerce have noted with regret that the world itinerary of the Comet jet-liner will omit Hong Kong and they are anxious to know what steps are being taken to adapt the Airport to the requirements of the jet age. I suggest that the time has come for a full statement of Government's intentions.

I expected to have other points of criticism to put forward on behalf of the business community, but it looks as if there is general satisfaction with my Honourable Friend's statement.

I think most of us realize that the closest consideration is given to all Government projects and that none of them are luxuries. I rather agree with the Honourable Leo d'Almada that we ought to be seeing some results of the visit of the Efficiency Expert or, if there are no results to be shown, I think we should be told so. I hope, however, that his visit was not in vain, but we should like to hear a little bit more about what he has accomplished.

There is, naturally, a good deal of apprehension about the continued expansion of the Civil Service with the prospect of pensions growing to an alarming extent. As I suggested before that is the price we have to pay if we are to keep pace with modern progress and none of us wants to see the Colony slipping back. (Applause).

HON. M M. WATSON:—Your Excellency, this Council is indebted to you, Sir, for a most interesting and informative Presidential Address at our last meeting.

I should also like to congratulate my Honourable Friend, the Financial Secretary, on his very full appreciation of the financial state of the Colony.

It was particularly heartening to hear the firm faith in the future of the Colony as expressed by you, Sir, which has received the commendation and publicity of a leading article in the Times.

During the past year there has been a continuous expansion of what one may call social services by way of medical, educational and housing facilities of which the Colony may be quietly proud.

The provision of these aids amongst a population which is to a large extent living on a day to day basis cannot be overestimated.

That this is so can be proved on the eminent authority of the President and Government of the United States who have emphasized the importance of aids of all kinds to help the less fortunate parts of the world and the generous provisions they have made to carry out their objects.

For these reasons we must endorse the financial provisions that are necessary for these purposes in the Colony. At the same time it is only fair to express the hope that those restrictions which so adversely affect the trade of the Colony may, in course of time at least, disappear one by one.

As my Honourable Friend has pointed out the estimates for security comprise a very considerable portion of the Budget but this unfortunately is not a plight which is confined to Hong Kong.

Everyone has most regretfully agreed that there is no alternative but to make the financial provision necessary although we would all dearly like to see the money being spent on something which would bring a smile instead of regrets.

That the necessity for these security measures exists seems to me to be fully proved by the fact that, however much the political parties in England may differ on methods or extent, they have, with all the information at the disposal of successive British Governments, agreed these measures are a first charge on the resources of the country.

It seems to me that the social services, particularly in Hong Kong, are also bound up with the security measures and for this reason I welcome the expansion that has and will take place in respect of them.

The provision of money for the Tai Lam Chung water scheme is also very welcome and it is hoped that this project, especially by those who were here in 1920, will be proceeded with with all speed.

It is unfortunate, but obviously true, that our long term projects must be financed out of income and for this reason a very wary eye should be kept on the pet schemes of Government departments which do not clearly come within the above-mentioned definition of essential expenditure.

As Honourable Members of this Council are aware, the estimates of expenditure have been prepared with the greatest attention to detail and there is I think very little necessity for anything else but the general remarks I have made concerning them.

As Your Excellency has pointed out, Government revenue has remained remarkably buoyant and it has therefore been unnecessary to consider any major methods of raising money. However, we have been warned that means will have to be found in the future and in connexion with this point I think it might be wise to prepare a comprehensive plan for the future and not just to stab at the nearest victim to cover the immediate requirement.

The housing problem continues to be very much with us and it is satisfactory that an excellent committee has been appointed to make recommendations.

That their task is not an easy one everybody, connected particularly with the law, is well aware but it is obviously necessary to endeavour to do Justice between all classes of the community.

In this connexion it is very gratifying to hear of the efforts that are now being made by various housing schemes to provide accommodation for the less well to do and of Government's real efforts to further such schemes.

It is also very pleasing to hear the accounts of the way the marketing in the New Territories has progressed, the desirability of these schemes requires no endorsing.

I have also been impressed with the way the Causeway Bay reclamation appears to increase substantially every week. It will, I am sure, be a great boon to the young people of the neighbourhood and one can already visualize the crowds which will be taking advantage of this further open air space of the city.

My Honourable Friend has referred to the huge bill for a proper airport. This will certainly be a headache for somebody but the desirability cannot be doubted. It should certainly rank high amongst the major developments contemplated by Government in and for the future of the Colony.

Before concluding I should like to revert to what I consider the most important matter for the Colony, namely, its internal security and peace.

This internal security and peace depend ultimately on the goodwill and contentment of the population at large who are certainly in the main perfectly law abiding and desire most of all to be allowed to go about their business without political interference.

There are and always will be the comparatively few malcontents who live on trouble but these can be dealt with by the security forces, who will, if only in a passive way, be helped by the rest of the people.

Recently, however, there have appeared signs that trade, upon which the people depend, has been falling off and this will cause distress for which the ordinary man is in no way responsible.

There are a number of relief organizations but, if things get really bad, will they be adequate for their purpose?

When similar periods of slack employment occurred in the past, the workers proceeded to the interior. At the present time, as Your Excellency has pointed out, it does not appear they want to do so even if they could.

We may, therefore, with the best will in the world, have on our hands a great deal of unemployment.

I consider this problem, or possible problem, an urgent one and that the means to meet it should be planned well ahead.

I know that consultations are constantly going on between various bodies, official and unofficial, but I should like to see the question tackled by a fully authorized and authoritative body to advise on steps to be taken to meet all industrial eventualities.

I should, therefore, like to suggest to Government for their consideration that a commission be appointed on the lines of the Tucker Commission in England, which is, however, dealing with another but similar problem, with all necessary powers to aid their inquiries.

There are, I am sure, quite a number of persons who have a wide local knowledge of labour conditions and would be only too willing to serve.

Any scheme must, of course, cost money but no one in his right senses would grudge, either on grounds of expediency or charity, the necessary means to deal with what may become a very serious matter. I have already suggested that a plan for future revenue might be made and any body that might be considering such a plan could well work in with a commission inquiring into measures to safeguard industrial conditions.

I fear we cannot influence the outside world in an active way but we can, I think, by ensuring that Hong Kong remains internally free of industrial trouble, have a very great effect, shall I say passive effect, amongst the peoples in this part of the world.

With these remarks, Sir, I beg to support the motion of my Honourable Friend. (Applause.)

HON. C. E. M. TERRY:—Sir, my Honourable Friends who have preceded me have dealt with all the salient features of this realistic budget. The fact that it is realistic, coupled with its

able exposition by the Honourable Financial Secretary, and the very full explanations and particulars with which we were furnished on inquiry in Committee almost led me to follow the example of my learned friend last year and become speechless. However, there are one or two points connected with my own bailiwick on which I should like to comment, and one point of principle which I would like to stress.

The commencement of work on the Out-patients Clinic of the Kowloon Hospital last year and the provision of funds to complete that work this year is extremely welcome. The impressive figures of attendances of that Clinic and the efficiency with which the patients have been treated under extremely adverse conditions are a tribute to the Medical Department and to the Staff concerned. I feel sure that the added facilities now being provided will result in increased efficiency. I am surprised to learn, however, that no steps are proposed to carry out the removal of the Central Distributing Dispensary which is housed in that building to a more suitable place. I understand that there is no reason whatever why such a dispensary should be housed in a hospital, and I should like to see the plans for its removal implemented and the space thus made available utilized for badly needed real hospital facilities.

Another disappointment is the fact that of the money allocated for nullah decking none is intended to be used in connexion with one of our few remaining legacies from the Japanese Occupation. I refer to the stench which rises to high heaven from the nullah at Kai Tak. Residents in many parts of Kowloon are affected by this nuisance, varying as the wind direction varies, and its elimination is long overdue. As matters stand, and if they are allowed so to stand, this nullah bids fair to rival the old Bowring-ton Canal as a hardy annual complaint.

I am pleased to note that provision has been made for traffic lights and to learn that a programme for the installation is actually in being. I hope that ere long we shall bid farewell in Kowloon to the various Stonehenges which at present disfigure our landscape and we shall replace them by proper traffic islands and traffic lights.

Sir, turning from the particular to the general, we are once again confronted with the fact that our Honourable Financial Secretary has budgeted for a deficit, although this time, like the housemaid's baby, "it is only a little one". After so many years where people in other parts of the world have been led to believe

that they can get something for nothing, it was refreshing to hear the view expressed that if we want improvement in our social services and social amenities we must be prepared to pay for them. When, however, we are told that there is a very definite probability of increased taxation to meet the costs of the programme envisaged, our first thought is naturally who is or are the "we" that are going to pay for them. The measures so far taken have been comparatively painless, but I repeat what I have said before in this Council, Sir, that there is no justification for the few who are already being taxed to be further mulct in direct taxation while the many who should pay escape the net. The introduction of the Business Registration Tax, advocated in this Council two years ago and accepted in principle by Government, also referred to by my Honourable Friend Mr. D'Almada, should be implemented as soon as possible.

I agree entirely with my Honourable Friend's view that if this tax is properly applied the gain to Government in revenue will be far higher than the tax itself. I was very glad to learn that the efforts of the Commissioner of Inland Revenue to secure additional qualified staff whom, I have presumed, will be partly employed in the collection of this tax, have met with success. I hope also that this additional staff will be utilized to bring in some of the back-log of revenue which is in fact waiting to be paid. The Balance Sheet of one very old established and prominent Hong Kong Company, for the year ended 31st October, 1951, shows not only provision for taxation for the current year, but also for the two preceding years. No well managed firm cares to have such provisions carried on in its books year after year; one hears of many other similar cases, and as in the case I have quoted the amount outstanding is \$775,000 it would be interesting to know what is the total amount of such arrears which only await assessment and collection by Government.

One other small item which has a bearing on my point, Sir, is a reference in the report of the Director of Audit to the fact that \$67,000 in Water Rates remained uncollected and are extremely unlikely to be collected.

My point, Sir, is that before we start to scrape the bottom of our taxation bucket we should make sure we have not only skimmed the cream from the top but that we have also adequately cleaned it up round the sides. In other words, let us be sure we have secured all revenue due under existing taxation before we consider ways and means of increasing it. Above all, Sir, if I may continue my metaphor, let us not scrape so hard as to

push the spoon through the bottom of the bucket. You, Sir, in your address, referred to the proverb about the bird which lays the golden egg. May I remind this Council about another proverb which has reference to the camel's back, particularly in view of the signs and portents already visible pointing to the fact that the camel has every chance of suffering from malnutrition during the coming year. While I have every confidence in the future of this Colony and, as my Honourable Friend the Senior Unofficial Member said, have seen its resilience demonstrated time after time, I suggest that the bold policy, which I heartily endorse, of proceeding to the limit of our power with our programme of betterment must be tempered with a realistic appreciation of the effect upon the Colony's economy of current conditions, and close watch maintained to preserve a reasonable balance. Costs are rising everywhere, and with them the cost of living—but it should not be accepted as a "*sine qua non*" that the cost of administration must increase proportionately. I strongly support the request for economy in Government.

A leading English newspaper referring to the difficulties which faced the Government of the United Kingdom on recently coming into office, said "no Government can be expected to pull up a runaway horse in five minutes". I hope, Sir, that this Government will continue to ride their horse on a short rein and not permit it to run away at all.

In conclusion, Sir, as one who had a seat in the front stalls at the recent disturbance in Kowloon, I would like strongly to endorse the appreciation of the conduct of the Police on that occasion expressed by Your Excellency and by the Honourable Senior Unofficial Member. (Applause.)

HON. LO MAN WAI, O.B.E.:—Your Excellency, I take it it is the part of the Unofficial Members of this Council to find faults, if possible, with the budget. But, Sir, after listening carefully to your comprehensive address and to the able detailed statement of the Honourable Financial Secretary introducing the budget a fortnight ago, I would like to declare that I have no adverse comments to make on the budget.

It is obvious that the budget has been framed on the basis of the policy enunciated in your address. Sir, you have succinctly summarized the policy which should be adopted at this juncture, namely, that it should be bold but not reckless, cautious but not timid, in short cautiously bold. I apologize for repeating this because other Members of Council have referred to them, but I feel

that this is right. I venture to say that every Hong Kong citizen would wholeheartedly endorse this policy and should be thankful that the Honourable Financial Secretary should be able to produce a budget, in the face of the uncertainties of the world situation, which has been aptly described in a leader of the South China Morning Post, as painless. This is also all the more striking, when one takes note of how all levels of society in the United Kingdom have been hit by the drastic budget which is the unhappy lot of the people of the United Kingdom.

There is just one comment, which I would like to make, on the question of increasing the revenue to meet the expenditure on the programme of projects to which we are committed. As the Honourable Financial Secretary has so rightly pointed out, all these things have to be paid for, and will have to be paid for out of income. But should the necessity for further revenue arise, I do implore Government to consider ways and means of increasing the yield of taxation at the existing rates before we resort to new sources of taxation or raising the existing rates. In this connexion, I would like to refer to two items in the draft estimates of revenue. The first is under the heading of Rates amounting to \$32,070,000.00. On a rough calculation, this is an excess of \$10,000,000.00 over the yield from this item for 1949-1950. It seems to me that this increase is mainly due to new buildings, the rateable value of which is roughly five times that of similar buildings which are under the control of the Landlord and Tenant Ordinance. Now purely from the taxation point of view, I submit that it is unfair that there should be such gross difference in the rateable value between these classes of rateable tenements. After all, rates are imposed on the theory that a person in beneficial occupation of premises should contribute towards the cost of services supplied by Government and from this point of view, an occupier of a controlled premises enjoys the same amenities as an occupier of a new building. If, therefore, the rateable value of controlled premises were increased to approximate that of new buildings, the yield from taxation from this source would be quite substantial. I submit that the possibility of further revenue from this source should be considered by Government.

The other item is under the heading of Earning and Profit Tax amounting to \$60,000,000.00. I am satisfied that there are still persons who either have escaped taxation under this heading altogether, or are not paying their due share. I am glad to note that the staff of the Inland Revenue Department has been

strengthened by an increase of 42. With this increase and the proposed introduction of registration of business names, I trust that there will be an appreciable increase in this item and should this not come about, other ways and means be considered, before those who are now paying this tax are subject to an increase in the present rate.

I should like to make a brief reference to the expenditure under the Defence and Police heading which alone constitutes one-fifth of our total expenditure next year. This expenditure may seem large but without peace and order, all our planning and grandiose schemes of development would be in vain. I therefore do not grudge the money which is required for defence and for an efficient Police Force. The money that has gone to create and maintain the Force under the able direction of our Commissioner of Police is well spent and that this is so has been vividly demonstrated in the handling of the recent unfortunate riot.

Sir, with these few remarks, I support the motion before Council. (Applause).

HON. NGAN SHING-KWAN: —Your Excellency—In his speech before this Council during the Budget Debate in 1948 my Honourable Friend Mr. Leo D'Almada had this to say: "Speaking fairly well down the list has this advantage; that one can cover a good deal of ground by saying generally that one endorses what has fallen from the earlier speakers ...". Speaking right down the very bottom of the list today I should therefore just say that I concur with the remarks of my senior colleagues and then resume my seat. However, whilst I agree with much of what has been said this afternoon, I feel that I should comment on certain points raised in this Debate as seem to me to warrant further elaboration.

EDUCATION.

With regard to Education, I would like to compliment the Honourable Director on the measures he has taken to improve facilities in the Colony. I am also glad to note that the estimates for this important Department again show an increase over last year's figures. I would, however, draw the attention of Government to the urgent need of further increasing the number of primary schools and catering to the need of the large number of children awaiting admission to these schools. Of over 140,000

children receiving primary education at the present time, only about 6,600 are accommodated at Government schools. In my opinion, Government should play a far greater part in elementary education, and if we are to reduce drastically the number of children on the waiting list, we must make an energetic effort to build more schools. This will of course entail heavy expenditure, but it will be money well spent. As an interim measure, I would suggest the building of simple one-storey structures or even Nissen-huts of fire-proof materials so that primary school children may receive some attention which has been so long denied them.

TEACHERS' PAY.

Whilst on the subject of Education, I would like to see that provision is made to improve the lot of the teachers, particularly those in private primary schools who, having due regard to the importance of their profession, are amongst the lowest-paid and hardest-worked members of the community. Consequently, many of the best teachers have been tempted away from their career by the better salaries to be had with commercial firms. If we are to retain these good teachers, they must be offered more attractive and remunerative employment.

ROAD RECONSTRUCTION.

The heaviest spending, and one of the most important of all Government Departments, is that of Public Works. Our Honourable Director has, since his comparatively recent assumption of office, shown himself a hardworker and one willing to listen to reason. Having tendered him a word of praise, I would now proceed to offer a word of criticism.

The nature and circumstances of this Island and, to a lesser extent, of Kowloon Peninsula, preclude the development of any form of land transportation other than by road. The number of vehicles on our roads has increased from about 9,000 in 1947 to more than 17,000 at the present day, excluding military vehicles. The mileage operated by the bus companies alone has risen from about 11 million in 1947 to over 20 million miles in 1951. A considerable number of roads have been reconstructed, but a great deal remains to be done, before we can rest content with normal maintenance. Today, the trend of manufacturers—in response to public and operators' demands—is towards longer, wider and heavier vehicles. Our road construction programme

must keep pace with this trend. It was, therefore, with regret that I heard our Honourable Financial Secretary inform members that it is proposed to curtail expenditure on road reconstruction during the coming financial year by no less than one million dollars. This is, I feel, a retrograde step, for we have in the Public Works Department the staff to develop our road system and to incorporate, wherever practicable, modern safety measures of benefit to driver and pedestrian alike.

Whilst on the subject of roads, may we expect a statement from Government on a matter which has aroused considerable public interest? I refer to the erection of a small curb along the edge of the praya.

STREET LIGHTING.

I wish also, Sir, to say a few words regarding street lighting. Numerous side roads and some main thoroughfares are totally without street lights, whilst the lighting of others is in many cases inadequate. Neon signs and shop-window light provide some illumination until around midnight, but when these are extinguished the absence of street lighting is most noticeable and is the cause of considerable anxiety to the resident returning home at a late hour. This lack of lighting must surely hinder the recognition and apprehension of wrongdoers, and handicap the Police in the performance of their duties at night.

I would stress also that many of our main roads are inadequately illuminated, that the lights are too far apart, and that they are not of sufficient power. This results in a patchwork effect, whereby the motorist is continually passing from a light to a dark square. Government should, in my opinion, aim at providing sufficient lighting along our main roads in the built-up areas, to enable vehicles to proceed on their side lights alone, without recourse to headlights, which dazzle the on-coming driver and increase the danger of accident in our crowded streets.

WATER CHARGES.

Another matter, under the control of the Public Works Department, which seriously affects the whole community, is that of water supply. I note with some concern that it is proposed to inquire into the financial position of the Water Authority. My uneasiness has been aroused by the Honourable Financial Secretary's speech in this Council two weeks ago when

he mentioned that though the supply of water was heavily restricted, revenue under that item had surpassed expectations. My fear is that Government may be tempted into turning this handsome source of revenue into a major form of income. By all means investigate to see if the department is paying its way without drawing on other revenue for its maintenance, but let us not forget that water is an absolute essential of life and, if hardship to the public, particularly the poor, is to be avoided, the question must be given very careful consideration, and not approached solely on a profit and loss basis.

POLICE FORCE.

Universal praise has been heaped upon the Colony for the manner in which peace and good order have been maintained. Much of the credit for this stability must go to our Police, and I should like to add my tribute to the many expressions of appreciation concerning the Force and their devotion to duty. It is pleasing to observe that an increasing number of Chinese constables now wear a red tab beneath their shoulder insignia, indicating their ability to converse in English. Every encouragement should be given to Constables in their language studies, for it is of considerable advantage when dealing with non-Chinese residents, and also creates a very good impression upon visitors.

During recent months Traffic Constables have been placed on duty at several Junctions outside the Central District. This is, in my opinion, a very sound policy, for not only does it reduce the danger of accidents at the intersections, but also what is more important, it encourages pedestrians to make use of the nearby authorized crossings. There are, however, still other major junctions on both sides of the harbour where some form of traffic control is urgently required, and I am therefore pleased to note that provision has been made in the estimates for additional traffic lights. This should enable the Traffic Department to extend their control to more junctions and possibly release men for mobile patrols and other duties. It appears to me that, at those junctions where the volume of traffic along the main road is heavier than that from the side street, use might well be made of the vehicle-actuated type of light, so frequently found in the United Kingdom.

Before concluding my remarks concerning the Police Force, I wish to say how fortunate we are indeed to have as Commissioner of Police a man of such outstanding ability as the present holder of that office, and I wish to congratulate him on the production of such a magnificent Force of which we may justly be proud.

JAPANESE COMPETITION & AMERICAN EMBARGO.

In Your Excellency's comprehensive and lucid account of the Colony's activities, given in this Council a fortnight ago, mention was made of the serious threat to local industries offered by Japanese competition, coupled with the United States Government's embargo on essential raw materials destined for this Colony. The seriousness of Japanese competition is reflected in the slackening of the activities of some of our once flourishing factories and the closing down of some that were compelled to cease operation through shortage of raw materials, with the consequent increase in unemployment. Whilst it may be undesirable to raise tariff barriers to keep out Japanese products and thus make unfair competition impossible, surely it is the duty of Government to protect local industries from the exploits of such a competitor, and this protection can be provided by affording them every assistance in the importation of raw materials and by seeking fresh markets for their products. The United States Government should again be pressed to relax its embargo on materials genuinely required for Hong Kong factories. Our former enemy is receiving raw materials from America; surely, as an ally of the British Government our friends cannot treat us with discrimination, or rather lack of discrimination. Already there are signs that this Colony is in for a major slump in the export of manufactured goods, and unless this serious deterioration is immediately arrested, we shall be faced with a problem of such magnitude that our economy will be upset. It is earnestly hoped that the newly appointed Trade Promotion Officer will explore every avenue to find fresh markets for our products and try every means possible to induce the United States Government to permit essential raw materials required for local manufacture to enter the Colony.

AIRPORT.

It was with admirable foresight that the Honourable Financial Secretary made reference to the extension of Kai Tak Airport to accommodate the latest type of plane. By all reports the Comet will soon be in regular service on the South African run, and it would indeed be most regrettable if the Far East route had to

terminate at Bangkok owing to inadequate runway facilities at Kai Tak. I trust that our Director of Civil Aviation is in close liaison with the British Overseas Airways Corporation regarding the intentions and requirements of that concern.

THE BUDGET AND GOVERNMENT ECONOMY.

The first Budget of our Honourable Financial Secretary has been aptly described as a painless one, and I desire to offer him my heartiest congratulations on such a splendid achievement. It is indeed fortunate that it should be painless, for there are signs of a trade depression, and business can hardly be expected to improve whilst the present restrictions on our industries and trade remain unchanged. However, the various projects on which we have embarked or are about to embark, appear to me to be essential to the future prosperity and well-being of this Colony and I for one would not wish to see us turn from the course we have set.

A word of warning, however, about Government expenditure. Now, more than ever, it is absolutely essential that Heads of Departments should exert every effort to curtail unnecessary expenditure. The cost of almost everything, especially imported goods, has increased and is likely to increase still further, so that it is most important that the strictest economy should be exercised by all Departments.

Your Excellency's reputation for wise administration has been further enhanced during the past year by the manner in which you have opened up hitherto jealously guarded offices, that were once the prerogatives of expatriate personnel, to local men. The appointment of DR. the Honourable K. C. Yeo as Director of Medical and Health Services has evinced widespread satisfaction amongst the Chinese Community. It is to be hoped that in time to come more and more positions of responsibility will be offered to local personnel who have shown their capabilities and loyalty in the service of Government.

In Your Excellency's general review of the Colony's activities you expressed full confidence in the future of Hong Kong. I am sure, Sir, that we all share your faith, and it is gratifying that this spirit of confidence is tangibly expressed in Government's own determination to proceed with most of the major works of development and reconstruction already laid down in the Five Year Plan. It is much to be regretted that, owing to the extensive demands made upon our revenue by the Local Defence Services, and our

heavy contribution towards the cost of reinforcing the Garrison, some of the less urgent of our plans must be postponed, but it is hoped that when we meet to consider the Budget a year hence, we shall have no further reason for deferring these essential works. (Applause).

THE FINANCIAL SECRETARY:— Sir, a number of rather important points have been made in the course of this debate and I feel that perhaps it is best if time were given for their consideration. I therefore move that the debate on the second reading be adjourned and that the Bill together with the draft Estimates of Revenue and Expenditure be referred to a Select Committee of this Council consisting of the Colonial Secretary as Chairman, with the Financial Secretary and all the Unofficial Members as members.

THE COLONIAL SECRETARY seconded, and the Motion was carried.

BETTING DUTY ORDINANCE, CHAPTER 108.

THE FINANCIAL SECRETARY moved the following resolution :—

Resolved that as from the 1st of April, 1952, the scale of duty to be charged on every bet made on any totalizator or parimutuel authorized under the Betting Duty Ordinance, Chapter 108, shall be five per cent.

He said: Sir, this resolution was forecast by me when I introduced the Appropriation Bill in this Council a fortnight ago. It is necessary in order to raise the betting duty from 3% to 5% in order to obtain another \$1½ million of revenue to cover the deficit on the forthcoming year.

THE COLONIAL SECRETARY seconded, and the Motion was carried.

BY-LAWS UNDER PUBLIC HEALTH (FOOD) ORDINANCE, CHAPTER 104.

THE CHAIRMAN, URBAN COUNCIL, moved:

That the By-laws made by the Urban Council on the 26th February, 1952 under section 5 of the Public Health (Food) Ordinance, Chapter 140, be approved.

He said: Sir, the previous by-law was vague and did not provide any method whereby the Inspector in charge could challenge any suspicious person. I need not elaborate on the

danger to public health which this presents. The new by-law provides for the issue of passes to persons who desire to enter or remain in a slaughter house for some lawful purpose connected with that establishment. I must explain the necessity for suspending clauses in paragraph (3) of the new by-law 29. The fencing of one of these slaughter houses is now being improved and until the work is finished it will not be practicable in this one slaughter house to introduce the new pass system.

THE COLONIAL SECRETARY seconded, and the Motion was carried.

ADJOURNMENT.

H.E. THE GOVERNOR:—That concludes the business, Gentlemen. Council will adjourn to Thursday, 27th.
