

OFFICIAL REPORT OF PROCEEDING**Meeting of 26th March, 1953.****PRESENT:**

HIS EXCELLENCY THE GOVERNOR

SIR ALEXANDER WILLIAM GEORGE HERDER GRANTHAM, G.C.M.G.

THE HONOURABLE THE COLONIAL SECRETARY

MR. ROBERT BROWN BLACK, C.M.G., O.B.E.

THE HONOURABLE THE ATTORNEY GENERAL

MR. ARTHUR RIDEHALGH, Q.C.

THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS

MR. RONALD RUSKIN TODD.

THE HONOURABLE THE FINANCIAL SECRETARY

MR. ARTHUR GRENFELL CLARKE.

THE HONOURABLE DOUGLAS JAMES SMYTH CROZIER

(Director of Education).

DR. THE HONOURABLE YEO KOK CHEANG

(Director of Medical and Health Services).

THE HONOURABLE KENNETH MYER ARTHUR BARNETT, E.D.

(Chairman, Urban Council).

THE HONOURABLE ALEXANDER PROVAN WEIR

(Acting Director of Public Works).

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

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

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

THE HONOURABLE CHARLES EDWARD MICHAEL TERRY.

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

THE HONOURABLE NGAN SHING-KWAN.

THE HONOURABLE HUBERT JOHN COLLAR. C.B.E.

THE HONOURABLE DHUN JEHANGIR RUTTONJEE.

MR. ROBERT WILLIAM PRIMROSE *(Deputy Clerk of Councils),***ABSENT:**

HIS EXCELLENCY THE COMMANDER BRITISH FORCES

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

MINUTES.

The Minutes of the meeting of the Council held on 25th March, 1953, 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>
Report of the Select Committee on the Appropriation and the Revenue for 1953-54.	
Sessional Paper, 1953:—	
No. 12—Annual Report by the Director of Audit for the year 1951-52 (together with copy of the Governor's despatch No. 361 of 10th March, 1953).	
The Defence Regulations (Continuation and Modification) (No. 1) Order, 1948. Defence (Finance) Regulations, 1940.	
Possession of Gold (Goldsmiths) (Amendment) (No. 4) Order, 1953.....	A. 59.

APPROPRIATION FOR 1953/54 BILL, 1953.

The debate on the Second reading of the Bill was resumed.

MR. D. J. S. CROZIER:—Your Excellency, My colleague the Honourable the Financial Secretary has invited Honourable Members to consider the extent to which educational services can continue to be developed by public funds, taking into consideration the fact that if our present policy is persisted in, additional revenue will be needed to sustain it. He has presented two unpalatable alternatives: further taxation or fewer schools. Whatever future action this Council feels called upon to take in this matter, it will, I am sure, be borne in mind that to apply an axe at certain stages of our educational development would be to nullify the essential benefits we hope to obtain from them and I am confident Sir that this Council would not readily acquiesce in a form of retrenchment that would not only limit further progress, but by so doing, would endanger much of what had already been accomplished.

In the years since the war, Government has accepted an increasing degree of responsibility for the direct maintenance of primary schools, for assistance to these schools and other categories, for the provision of scholarships and free places at all levels, and for the training of teachers. The purpose behind all this Sir is two-fold: firstly, to increase the general level of education and enable our students to accept the responsibilities of adult life as well equipped as similar students in any other country; and, secondly, to make it possible for poor but promising children to enjoy a type of education which their parents, unaided, could not give them. Sir there is more self-interest than philanthropy in this policy. The progress and prosperity—even the safety—of a community has more than a fortuitous connexion with the educational facilities it provides. I fully appreciate the need for careful and even cautious planning, especially when the financial implications are of such importance. But in a Colony as important as Hong Kong, with its great commercial, industrial and cultural potentialities, we would be well advised to consider not only what we can conveniently afford to have, but also, what we cannot afford to be without.

Several Honourable Members have expressed their approval of the proposed increases in salaries for qualified teachers in Subsidized schools. I am convinced that this measure is not only just and logical; but also, that it will provide a powerful stimulus for better and more efficient teaching in our Subsidized schools, and that will encourage young men and women to enter the training colleges who might otherwise be forced to adopt another profession. It is high time to discard the theory that a teacher's "sense of vocation" should supplement his salary.

There is, however, another kind of supplement to which my Honourable friend, Dr. CHAU, referred, and, especially in the case of adequately-paid teachers, I deplore it as much as he does. For long my department has discouraged the unnecessary private coaching of children whose normal studies at school should be ample for their needs, and in doing so we have had the assistance of many heads of schools. I think that this practice is less prevalent than it was; but it still continues, and it is a most harmful practice. I shall continue to take what action I can to put an end to it. But if parents would only consult the headmaster or headmistress of the school concerned before agreeing to special tuition for their children, and then, if this course were advised, were to pay the tuition fees through the headmaster and not direct to the teacher giving instruction, we would very soon see the end of this matter. (*Applause*).

Resettlement.

MR. K. M. A. BARNETT:—Sir, My honourable friend Dr. S. N. CHAU made a brief reference to the resettlement of squatters. This is a subject upon which my honourable friend is very well qualified to speak, and his own part in furthering the solution of the problem has been a notable one for which he deserves the greatest credit. With all he says about the undesirability of single storey development I respectfully agree. Land, Sir, is a precious commodity in Hong Kong and although with the standard type of settlers' housing between 500 and 600 persons are accommodated to an acre, even this figure, which in more fortunate territories would be called severe overcrowding, is lower than the Colony can really afford. Unfortunately, as my honourable friend is very well aware, we have to consider not only the area of land which is available but also the means of those for whom the houses are being provided and there is a great gap between the lowest rents of those cheap multi-storey apartments which he and I both desire to see, and the highest monthly payment which a family of what has been called the squatter class is willing or can be reasonably expected to pay. The introduction of the sand brick, which is a familiar building material in China, has allowed a large number of dwellings to be completed which are fireproof, which comply with the requirements of the health authorities and which are sufficiently substantial to stand the rigours of our climate; and which at the same time can be built for a price within the means of about one third of the squatters with whom we have so far had to deal. But sand brick cannot be used for a multi-storey building. Three experimental houses of a new type have recently been constructed and these are still cheaper—I think we are going to be able to have them built for as little as \$800—and while these houses are only large enough for a family of four I think they will bring approved resettlement housing within the reach of a further section of the squatter population.

For the time being the remainder will rely on wood. And I agree entirely with my honourable friend that wooden huts are unsatisfactory. Good substantial timber is very expensive, even more expensive than brick, and the wood of which the average squatter hut is built is little better than matchwood. It affords little protection from the elements and burns like tinder. In the areas where such huts have been built under the supervision of the Urban Council they are well spaced out and although there is always a risk of fire where this method of construction is used there have not actually been any fires in these areas and thanks

to the spacing out if one hut should chance to catch fire there is little fear of the fire spreading. But in many of the areas now under my control the huts were in existence long before and what we have been trying to do is to persuade their occupants to cooperate in improving the layout. This they are reluctant to do and although the Urban Council has the necessary powers of compulsion it is always preferable for policies of this kind to be carried out with the full understanding and support of those concerned. The recent decision of my colleagues on the Urban Council to appoint a Visiting Member to each resettlement area will go far towards promoting the kind of relationship which is necessary to pre-dispose these people to co-operate in measures devised for their own good.

Squatter Fires.

My honourable friend spoke of squatter areas and I think in his remarks he was including the resettlement villages under that description. This is a habit of speech against which I would advise. Once a squatter has been resettled he ceases to be a squatter, and a great deal can be done for him that could not be done before. While he remains a squatter his position is not a happy one. To begin with he is breaking the law, and in many cases the very law which he is breaking was designed expressly to prevent these calamities, epidemics, landslides and fires. Many of the areas now occupied by squatters have not been developed for legitimate housing precisely because there is no water and no drainage and it is just the absence of the same water which makes it difficult to put out fires, which are bound to occur when wooden shacks are put up in places where no kind of habitation is allowed.

What my honourable friend is proposing, and he has much good sense on his side, is that in the clearance of these areas, which it is common ground cannot all be cleared in a week, priority should be given to such clearances as will have the effect of dividing up the larger masses of wooden huts into manageable blocks so that if any fire breaks out it can be confined to one block. Your Excellency has already mentioned that this was in fact to be the guiding policy and as a result of a conference which my honourable friend the Director of Public Works and I held recently with the Chief Officer of the Fire Brigade a clearance campaign on these lines is being planned. I am informed however by those who have hitherto been in charge of most clearances, and it is a matter of record, that there are practical difficulties involved in any kind of partial clearance, and an attempt some two years ago to undertake clearances of this kind

encountered opposition from the squatters themselves, each of whom, while no doubt appreciating the desirability of fire lanes, could never see why the fire lane should pass through his hut rather than that of the next man. The maintenance of such lanes once cleared is also difficult. When a whole area has been cleared the squatter patrols can see at a glance any attempt at rebuilding, but a lane can almost imperceptibly be encroached upon from both sides and my honourable friend the Director of Public Works I think will find that his patrolling staff will need much reinforcement.

The Chief Officer of the Fire Brigade informs me, Sir, that every fire in a squatter area has been proved to be caused by the carelessness of a squatter. You cannot afford to be careless with fire or lamps in a wooden hut. In the Resettlement Areas we are having some success in promoting a community spirit, but in what we call the "wild" squatter areas it is every man for himself. Honourable members will have observed in the Press mention of energetic propaganda measures which have been taken by the Chief Officer of the Fire Brigade to warn the inhabitants of wooden huts against the more obvious dangers. These measures, Sir, also spring from the conference to which I alluded and I can assure honourable members that all my colleagues concerned in this problem are giving it constant and anxious attention. (*Applause*).

DR. YEO KOK CHEANG:—Sir, My honourable colleague, DR. S. N. CHAU referred to the 1950 Medical Act of the United Kingdom, which came into force at the beginning of this year and which, amongst other things, requires all medical graduates to serve for twelve months as resident house officers in approved hospitals before being eligible for admission to full registration by the General Medical Council. He suggested that a similar requirement should be introduced into Hong Kong in order to maintain reciprocity of medical registration between Hong Kong and the United Kingdom. The Honourable Mr. Watson also raised this matter.

Before replying I should state that facilities were given to our locally qualified medical practitioners, including the last batch of University graduates, to enable them to be registered with the General Medical Council before the enforcement of the new Medical Act on 1st January, 1953.

In reply, however, I should like to assure my honourable colleague that draft legislation is under consideration to amend the Hong Kong Medical Registration Ordinance on the lines

of the United Kingdom Medical Act so that reciprocity with the United Kingdom can be maintained. This important matter has been receiving consideration for the past few months. Preliminary discussions have been held with the local University authorities and the Medical Board and certain aspects of the matter have been referred to the Colonial Office and the General Medical Council.

To maintain reciprocity it will be necessary not only for certain of our local hospitals to be approved for the purpose of employing house officers, but accommodation in these approved hospitals will have to be provided to meet the full annual output of the University Medical Faculty.

The problem of providing adequate accommodation for the increased number of resident house officers is proving difficult and the suggestion by my honourable colleague that living accommodation for house officers and senior medical students at the Queen Mary Hospital be provided in the proposed Pathology Building will be discussed with the University Authorities. In the meantime, temporary arrangements will be made to accommodate these house officers pending the provision of permanent quarters.

My honourable colleague also stated that, with the completion of the new Kowloon Hospital, Government must give serious consideration to the handing over of the Queen Mary Hospital in its entirety to the University as a teaching hospital.

I can foresee innumerable difficulties, not the least of which may be financial, and it would be unwise at this stage to say more than that the suggestion will not be overlooked.

To the Honourable Mr. Terry I would say that I am just as disappointed as he is over the unavoidable delay in proceeding with the planning and erection of the new Kowloon Hospital, and am fully in sympathy with his desire to expedite the project. I wish to assure him that as much planning as is possible has already been done and as soon as a final decision is reached regarding Kai Tak, the site for the new hospital in Kowloon will be fixed and the whole project will then go forward with the minimum of delay.

My honourable friend also requested the early consideration of an alternative site for the Kowloon Public Mortuary. I agree with him that Kowloon needs an up-to-date mortuary on a more suitable site. Consideration will be given to this matter as early as possible, *(Applause)*.

MR. A. P. WEIR:—Your Excellency, I am now able to put my Honourable friend Mr. NGAN Shing Kwan's mind at ease— the Nathan Road Traffic Lights will be in operation by the middle of this year.

My Honourable friend has also criticized the progress on street lighting which is being made. There are more than 860 streets and roads in this Colony, and the Commissioner of Police has, in his street lighting programme, given priority to 147 streets in Hong Kong and 39 on the Mainland. We have agreed, however, that until it is possible to light the side streets fully, lights should be placed at the junction of the main roads and at street corners. This has been done in order to prevent crime, for was it not Confucius who said "it is better to light one small candle than to curse the darkness"? When the side streets are fully lit, then these lamps at the corners will be re-positioned. At present the glare does adversely affect motorists who cannot see pedestrians crossing the road, but later these lights will be removed and placed so that the pedestrians can be picked out in silhouette.

Now, my Honourable friend also referred to the quarry nuisance at North Point. The position at present is that we have surveyed and investigated seven alternative sites with a view to establishing on the Island a quarry which is sufficiently removed from habitation not to cause a nuisance and yet will contain ample stone to enable it to be worked for at least fifteen years. One such site has now been provisionally selected which has the additional advantage of being fairly near the city, and surveys are now in hand to determine the most economical means of access. It must be borne in mind that ease of access is a most important consideration, for each additional mile of haulage increases the cost of stone and quarry products by \$1 a ton. If modern machinery can be obtained in time, and we can produce 400 tons of crushed stone per day, which is the present output of Tsat Tse Mui quarry, then it should be possible to close down North Point quarry within one year.

It has been said that the Public Works Department is sometimes slow in getting off the mark. However, it is freely admitted by even our most ardent critics that once the wheels are set in motion, then progress is astoundingly rapid.

All will recall that portion of Queen's Road between Ice House Street and Pedder Street when the relaying was carried out in 1950, but few may realize the immense amount of planning

and co-ordination by our engineers that that operation entailed, and the split-second timing necessary to ensure that the Utility Undertakings, electricity, gas, telephone, drainage, waterworks, carried out their work in unison.

I think I can truthfully say that during Christmastide 1950, the P.W.D., with the co-operation of the Utility Companies, won the battle of the trenches—at least there have been very few counter-attacks since.

Sir, this is the new Elizabethan Era. The fire of enthusiasm is burning brightly in the Public Works Department (*Laughter*), but there is a physical limit to the number of irons one can put in a fire at any one time, otherwise some may not even get hot. What can our Department actually complete during this Coronation Year? Assuredly Causeway Bay Typhoon Shelter—most certainly the first stage of the new Central Government Offices. As regards the others, we can but do our best, and a very good “best” it will be. (*Applause*).

THE COLONIAL SECRETARY:—Your Excellency, in a city like Victoria where a teeming population lives in a very restricted area it is natural for us to spend much time in considering ways and means of dealing with our traffic problems and it is to be expected that Honourable Members should draw Government’s attention to these problems. My Honourable Friends Mr. T. N. CHAU, Mr. M. W. Lo and Mr. NGAN Shing-kwan have gone to the heart of the matter of traffic difficulties in the city centre when they refer to the Services land lying athwart Queen’s Road. We can theorize about possible solutions *ad nauseam* but the only real one must be the outcome of town planning for the creation of more space in the central urban areas. Road and street improvements have, not unexpectedly, failed to keep pace with the demands made by a rapidly growing population and by an expanding number of vehicles which have followed both from the development of the Colony from the economic point of view and from the present unusual political situation. Honourable Members will recollect that The Honourable the Financial Secretary in his speech introducing the Bill before us said that negotiations are under way with the Military Authorities to see whether certain military lands—the Murray Parade Ground, the Murray Barracks and the Detention Barracks—can be surrendered to Government in exchange for reprovisioning elsewhere; the Admiralty, however, have indicated that they regret that it will not be possible for them to consider any negotiations for the removal of Her Majesty’s Dockyard from its present site for the

time being. We must, therefore, reconcile ourselves at present to providing for the movement of traffic and the parking of vehicles within a much more restricted space than would normally be expected in a city with the population of Victoria. On a point made by The Honourable Mr. NGAN Shing-kwan—when account is taken of the layout of buildings and facilities within the Dockyard area at the present time. I should be very surprised indeed if a reserve road for emergency use could be put through that area.

Several Honourable Members have referred to the command of the Traffic Branch. Government's view is that it would be undesirable to regard this Branch as a unit independent of the Police Force. Within the Force there is a reservoir of knowledge about traffic problems which has been fed by experience and the results of study and practice in these problems in different parts of the world, and the police officer in charge of the Branch at any given time is in fact an executive officer who carries out the policy formulated at higher levels after drawing on this reservoir. Police officers are, of course, affected by the exigencies of the Service and I do not need to stress here that in Hong Kong these are many and abnormal. I am assured by the Commissioner, however, that for the convenience of the public every effort is made to keep officers in the Traffic Branch for as long periods as possible. Last year was a difficult one, but, since the war, there have been only six officers in charge of the Branch; the first spent 2½ years there, the second ten months, the third 1¾ years, the fourth and fifth four to five months each, while the present holder has been in charge for six months. The fourth and fifth incumbents indeed were reliefs and appointments of this nature are unavoidable from time to time. I would add that Government and the Police have the assistance of the Traffic Advisory Committee on which are represented the Police, the Public Works, the Urban Council, the Police Reserve, the Fighting Services, the Education Department, the Kowloon Residents Association and the Hong Kong Automobile Association. The terms of reference of this body are wider than my Honourable Friend Mr. M. W. Lo has possibly appreciated—they include any matters connected with traffic in the Colony of Hong Kong which are referred to the Committee by Government or the Commissioner of Police. While it frequently happens that the Police experiment before going to the Committee, the ladies' car park is an example of a possible solution of a problem which was referred to this Committee and I would gladly take this opportunity to acknowledge the assistance given by the Committee.

The Honourable M. W. Lo made a point about night parking. The Commissioner of Police has power to refuse the registration of a vehicle for which a garage is not in existence. He has never exercised this power for the very sensible reason that to do so would be discriminatory. Land is so valuable here for other forms of construction that no public garage of any really adequate dimensions exists to house cars for which the owner has no space or cannot for other reasons afford a garage. On parking generally, the position is that the Police attempt to provide the maximum amount of space possible on a first come, first served basis. A very limited amount of the total space is reserved for essential public services and is designed for these services which demand speed in turning out.

On the question of traffic islands much planning has been done but progress admittedly has been slow. It is hoped to proceed more quickly this year.

Plans by specialists in town planning and traffic problems are in existence; they await the provision of funds and the determination of priorities. I need scarcely say, however, that funds are not unlimited; and we always have the problem of deciding priorities. There is no cheap solution such as the engagement of another expert or specialist. We have scrutinized the problem; we have plans; and the combination of constant experimental ingenuity within physical and financial limits has achieved the present, shall I say, not unreasonable control of traffic. Nonetheless, Government is not complacent or satisfied that it has done enough.

Honourable Members have underlined the point made by Your Excellency about the need to build cheap, multi-storey flats for the lower-paid workers and suggested that more funds will have to be found to make it possible to press on with this commitment. I reiterate that Government is very conscious of the need to deal with this problem and Honourable Members are aware from Your Excellency's Address of the present position.

My Honourable Friend Mr. Terry has commented on the price of fish which he regards as still being too high. References have been made from time to time to the high prices of fish but an examination of these prices indicates that these criticisms are more correctly directed to the better grade fish and that, in the main, means Garoupa, White Pomfret and the Macao Sole, landings of which in the Colony comprise only about 2% of the total fresh marine fish brought in. It is Government's contention,

however, that the price of marine fish in general is low, as can be seen from the wholesale prices of fish sold through the Fish Marketing Organization. Last year, the average wholesale price of fresh fish was less than 70 cents a catty, or, say, less than 53 cents a pound. Although the Cost of Living Index Figure for the first quarter of 1940 was 93, compared with 118 at the end of 1952, an increase of 27%, the wholesale price of fresh marine fish in 1949 was \$97.29 a picul compared with \$69.90 a picul in 1952, representing a fall of 28%. If one excludes vegetables, I wonder whether the graph of prices of any other commodity would reveal such a favourable reduction and I would ask Honourable Members to remember that during the same period there has been a substantial increase in the fisherman's production costs; many items of his gear and equipment are imported from China and these are becoming increasingly difficult to obtain.

Retail sales and prices are not, of course, the direct concern of the Fish Marketing Organization. It is appreciated that more distribution outlets for fresh fish are required and that while the population has more than doubled, the number of fish retail stalls and shops has not increased appreciably since before the war. My Honourable Friend wondered whether what he thought were high prices for fish landed here might to some extent be due to the higher overhead costs incurred by local fishermen compared with the Japanese, citing the fact that our trawlers carry larger crews. While it is correct to say that Japanese pair-trawlers carry a crew of about nine or ten and that the local pair-trawlers carry about 20 to 25 persons, one must realize that Japanese operate their trawlers as fish-catching units while the local fisherman combines his home with his fish catching in the same unit. I would suggest that the necessary distinction to be drawn is similar to that between subsistence farming and capitalized cash-crop farming. It may well prove to be that as the fishing industry develops the local fishermen will wish to have more efficient vessels with a design different from that of the present junks, and that, when that time comes, he may wish to be based on shore. With the domestic upturn implied in this change, however, it would indeed be a revolution in the fisherman's living conditions and economy. However, as all fish is sold by public auction, the consideration affecting the price of fish landed by our present type trawlers is not the number of persons employed on these trawlers, but supply and demand.

My Honourable Friend also inquired about the practicability of making low-rate interest loans to fishermen. It may be remembered that immediately after the Colony was re-occupied

Government made many rehabilitation grants and loans to our fishermen, and that this action was instrumental in putting the fishing industry on its feet. In addition to this, since 1946 the Fish Marketing Organization has operated a revolving loan fund and, up to date, nearly nineteen hundred owners of fishing vessels have received loans totalling well over \$1 million. I would assure Honourable Members that the importance of cheap credit to fishermen is fully appreciated by the Fish Marketing Organization. It intends to increase its already extensive credit facilities, but of course it will be appreciated that a very large sum of money would be required if the total indebtedness of fishermen were to be liquidated.

Dr. the Honourable S. N. CHAU has commented on the Report of the Committee on Higher Education and has expressed particular sympathy for two of its recommendations, namely, that the University of Hong Kong should institute a degree course in the medium of Chinese and that it should establish a Department of Extramural Studies. Government also is very much in sympathy with the principles on which the Committee on Higher Education based these particular recommendations. Hong Kong, from its geographical position, is well placed to interpret Western culture to China and reciprocally Chinese culture to the West: to be a centre of comparative studies. There is also the more utilitarian question, namely, what is the logical outcome of the provision of higher educational facilities in our secondary schools for Chinese-speaking pupils? As my Honourable Friend has said, however, new courses mean extra money and the University is at present developing an expanded curriculum of studies based on a programme already approved. The University authorities have very heavy financial obligations and they are most anxious not to accept additional commitments which would upset that programme and bring in its train further financial complications. Government, however, awaits from the University authorities the estimates of capital and annually recurrent expenditure required if an Arts degree course in the medium of Chinese and a Department of Extramural Studies were to be established under the aegis of the University, and when these figures have been obtained we shall have to consider the extent to which Government can offer additional financial assistance to the University as an inducement to add to its existing curriculum of studies. Once more we are faced in our programme of social services for the people of this Colony with the prospect of adding to our annually recurrent financial burden.

My Honourable Friends Mr. Terry and Mr. NGAN Shing-kwan have expressed very natural concern about the slow progress which has been made in deciding on the future of Kai Tak airport. Your Excellency has already reported on the progress so far.

We have had the advice and recommendations of many experts. It is a remarkable but nonetheless a frequently recurring phenomenon that when two people become experts on the same subject they often cannot agree. They are like two railway lines which a layman railway traveller such as myself sees stretching away ahead until they converge and appear to meet; but as the train races on further along the track the point of convergence forever recedes. Experts at times are parallel lines and in acknowledgment of mathematical laws remain separate. The arrival of further experts does not necessarily mean that they will elect to follow either of the lines already laid down; they may proceed on their own course, as obstinately parallel as their predecessors. But we have undoubtedly made progress in the examination of possible schemes. Important considerations which we must bear in mind are that in constructing a good airfield at Kai Tak we cause the minimum disturbance possible of existing interests in Kowloon including those of the hospital, and that, if a large sum of money is spent on the new airfield, it will not be for one which has reached satiety point by providing essential facilities on the airfield for types of aircraft envisaged in the immediate future but unable to handle more advanced types in later years. Kai Tak is a difficult area for the purpose in mind and we have a very small margin of utilization for development within which to work. However, as Your Excellency has stated, no final decision can be taken until we receive the reports and estimates of the Consulting Engineers now engaged at Kai Tak.

Lastly I heartily endorse what my Honourable Friend the Financial Secretary has said about cutting out red tape and about our wish to expedite Government business for the benefit of the public. The report of the Committee on Rent Control has now been printed and it is hoped that it will be available to the public very soon. As Honourable Members know the report deals with a particularly thorny subject and it has been most necessary to refer it to several Departments for very careful consideration of the recommendations and implications of the report. The delay is regretted but I think has been inevitable if we are to weigh our decisions carefully. *(Applause)*.

THE FINANCIAL SECRETARY: —There are very few points which have been raised by Honourable Members in the course of this debate which have not already been answered, and I shall try to be as brief as possible.

I think I should take first the point raised by the Honourable H. J. Collar, a point which might be regarded as one of principle—the principle of budgetting. I should make it clear that Government does not work upon a business basis; it does not produce a profit and loss account. The tendency is for Government to be regarded as something entirely different and apart from the population which it governs; this is a misconception which is very difficult to remove, but which is a misconception none the less. Government acts for the people it governs and Government, if it is to be worthy of the name, must provide the services which are necessary if the life of an organized community is to proceed in an orderly manner. It falls on Government, as representing the population, to provide all sorts of services, from street cleaning to education, and from boys' and girls' clubs to feeding the destitute, to the best of its ability. If that is accepted, then it follows that Government has to find sufficient money to provide for these services. This brings us straight back to the dilemma which I put before Honourable Members at an earlier stage of this debate. Taxation in this Colony is still comparatively light, and for so long as that happy state of affairs prevails the principle we are adopting in budgetting is that Government will provide the services demanded, as economically as possible, and then will find the money to pay for these services. It is of course not quite as simple as that, but that is broadly the line on which we work.

At some stage in the future we shall reach the point where the provision of more services for a section of the community will mean hardship on another section by way of unduly heavy taxation. Then we shall have to change over to the alternative method of adjusting our expenditure to available revenue.

In actual fact when any big scheme comes up the estimate of recurrent expenditure that will be entailed thereby is always called for. For example the capital cost of the new Kowloon Hospital proposed for the King's Park site, including quarters for the resident staff, was estimated at \$44 millions, and the annual recurrent cost was \$12 millions, against the present annual \$2½ millions for the existing Kowloon Hospital. Reference to the decisions of Government which were published in the Fisher Report on Education in 1950, will show that completion of the

education capital programme of \$7½ millions will have caused the annually recurrent cost of education to rise by \$2½ millions. Nevertheless, an attempt will be made in the course of the year to carry out the statistical exercise which my honourable friend has suggested.

Dr. The Honourable S. N. CHAU suggested that more money than the \$5 millions allocated from the Development Fund should be made available for the housing of non-expatriate officers. This sum was allocated when the scheme was first thought out and is in the nature of a token figure. If it had been made any more at the time, it might well have resulted in the Development Fund being over-allocated. If the number of applications justifies it, Government will have no objection to the amount being increased; that is, provided nothing more urgent comes along to take all the available funds.

The Honourable C. E. Terry raised the question of the allowances for the Defence Forces being subject to Salaries Tax. I am informed by the Defence Secretary that these instruction allowances are not a reimbursement of travelling expenses, but were designed to contain an element of reimbursement; and I am also informed that as the law stands at present these allowances are taxable. The matter is not one about which we feel very strongly either way; and it seems appropriate that as a Committee is at present going through the Inland Revenue Ordinance line by line, eliminating a great number of contradictions and anomalies, this small problem might be referred to this Committee, whose deliberations are now approaching their end.

The Honourable C. E. Terry and to a lesser extent, the Honourable H. J. Collar, raised the question of Government's liability for the welfare of visiting seamen in relation to the fees charged for working cargo on Sundays. My Honourable Friend sounded very convincing on this point, but I fear that he was not in possession of all the facts. The Sunday Cargo Working Ordinance was introduced in 1891, not with the intention of producing revenue, but deliberately to discourage working cargo on Sundays. The then Attorney-General, Mr. Goodman, in introducing the Bill said—and I quote—"I trust that this Bill will give relief to those officers who see the British flag flying on the shore while they are compelled to work all day Sunday on board ship."

But there was never any suggestion that any fees that might be paid should be credited to anything other than revenue; and in 1946, the Taxation Committee which was appointed to go into

the question of raising additional revenue, recommended that Sunday Cargo Working Fees should be increased by 50 per cent in order to raise additional revenue. The recommendation was accepted. My Honourable Friend referred to practices in other ports. He is correct when he says that in certain ports, especially in Malaya, Sunday Cargo Working Fees are not dealt with as ordinary revenue. But so far as I can ascertain, in all the ports where Sunday Cargo Working Fees are not credited to revenue, the Government has delegated its responsibility for harbour control and management to some form of Harbour Board or Port Authority. Port Authorities which obtain these fees do not keep them purely for seamen's welfare. They for example use them for paying overtime to tally clerks working on Sundays. They also use them for secretarial expenses, and they use them for providing courses in navigation and seamanship. What is the position here? This Government shares direct responsibility for the port with private enterprise; it gives \$75,000 annually for Seamen's Welfare; it gives a yearly subvention of \$15,000 to the Mercantile Marine Assistance Fund; its Social Welfare Officer helps in cases of need from his own funds; and it provides, at fairly nominal fees, courses in navigation and seamanship through the Education Department. It does not pay overtime to tally clerks, because the tally clerks are in private employ. In other words, Government here does practically everything that is done in other ports, even though a great part of the revenue of the port goes to private enterprise. Moreover there is an important point of principle involved. This Colony is, as I am sure Honourable Members will agree, unlike any other Colony—and possibly unlike any other country in the world, in having refugees constituting half its population. The consequent demand on the public purse for subventions to one organization or another, or for relief in all quarters, is steady and continuous. Does it seem right and proper that seamen alone, out of all these applicants for help, should be in effect guaranteed a fixed source of income each year, regardless of the needs of others? Is it right that in a bad year we might have to cut, for example, the subvention to the Anti-Tuberculosis Association which is doing such excellent work, when we should be unable to cut on welfare to seamen because they had a guaranteed source of income? I am sure the Honourable Member will see that there can be only one answer to that.

There is yet another point, a small one. If the fees from Sunday cargo working were to be sequestered as proposed, why should the proceeds be devoted solely to seamen? Should not the stevedores, who also have to work on Sundays, deserve a share?

The Honourable H. J. Collar referred to the Trade Advisory Committee and suggested that its scope might be enlarged. The Committee has proved valuable not only to the public and the business world, but has been valuable also to Government, and his suggestion that its scope might be expanded will be taken up.

I think, Sir, that all the points raised in the course of the debate have now been answered, and I trust satisfactorily. The amendments to the Bill agreed in Select Committee will be moved in the Committee stage, and after this Bill has been disposed of, I propose to move a series of resolutions, approving the Estimates as amended, and the various appropriations and transfers that I have foreshadowed. (*Applause*).

H.E. THE GOVERNOR: At the end of my Budget address three weeks ago I referred to the spirit of Hong Kong and said it was nowhere better exemplified than in this Council. One aspect of that spirit, and one which was touched on by some of the Honourable unofficial members in their speeches, is the collaboration that exists not only between the official and unofficial members of this Council, but also, I hope and believe, between members of the public generally and the Government service. That collaboration is the happier because it is based on friendship and mutual respect and includes criticism. Criticism, provided it is constructive and not carping, is as welcome as it is good for us, good for all of us.

I should, in conclusion, like to thank the Honourable unofficial members for their very kind references to myself and to certain heads of departments. Such appreciation is indeed rewarding and gratifying. (*Applause*).

The question that the Bill be read a Second time was put and agreed to.

The Bill was read a Second time.

THE COLONIAL SECRETARY moved the following resolution:

“That the Report of the Select Committee to which was referred the “Appropriation for 1953-54 Ordinance, 1953” Bill together with the draft Estimates, be adopted.”

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

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

Clause 1 was agreed to.

Clause 2.

THE FINANCIAL SECRETARY: Your Excellency, I beg to move that in Clause 2 for the words “Three hundred and twenty-seven million seven hundred and twelve thousand three hundred and thirty-three” there shall be read the words “Three hundred and twenty-eight million one hundred and sixty-nine thousand eight hundred and eighteen.”

The Clause, as amended, was agreed to.

Schedule.

THE FINANCIAL SECRETARY: Your Excellency, I beg to move that the Schedule be amended in every detail as recommended in the Report of the Select Committee so that for the total of “Three hundred and twenty-seven million seven hundred and twelve thousand three hundred and thirty-three” there shall be read the words “Three hundred and twenty-eight million one hundred and sixty-nine thousand eight hundred and eighteen.”

The Schedule, as amended, was agreed to.

Preamble.

THE FINANCIAL SECRETARY: Your Excellency, I beg to move that the total given in words be amended as already done in clause 2 and the Schedule.

The Preamble, as amended, was agreed to.

Enacting Clause and Title.

THE FINANCIAL SECRETARY: Your Excellency, I beg to move that the total given in words be amended as already done in clause 2, the Schedule and the Preamble.

The Enacting Clause and Title, as amended, were agreed to.

Council then resumed.

THE FINANCIAL SECRETARY reported that the Appropriation for 1953-54 Bill, 1953, had passed through Committee with certain amendments recommended by the Select Committee, and moved the Third reading.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

RESOLUTION REGARDING ESTIMATES.

THE FINANCIAL SECRETARY moved the following resolution:

Resolved that the Estimates or revenue and expenditure for the financial year 1953-54 together with the amendments proposed by the Select Committee be approved and further that the expenditure of \$3,800,612 on the items in the Schedule of Expenditure under the Rehabilitation Loan Ordinance appended to the said Estimates and the charge of such sum as an advance from the surplus funds of the Colony pending reimbursement from loan funds be approved.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

RESOLUTION REGARDING REVENUE EQUALIZATION

FUND

THE FINANCIAL SECRETARY moved the following resolution:

Resolved that the establishment of a Revenue Equalization Fund and the appropriation to that Fund from the general revenues of the Colony of the sum of \$110,000,000 be approved.

He said: In my earlier address on the Appropriation Bill I foreshadowed that we would transfer \$100,000,000 from the General Revenue Balance to the new Equalization Fund with \$10,000,000 from the surplus for the current year. In accordance with instructions from the Secretary of State it is necessary for the transfer first to be made from the General Revenue Balance to Revenue, and that necessitates a supplementary vote for the whole amount which is implemented by this Resolution.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

**RESOLUTION REGARDING THE WATERWORKS
RENEWALS AND IMPROVEMENT FUND.**

THE FINANCIAL SECRETARY moved the following resolution:

Resolved that the closing of the Waterworks Renewals and Improvement Fund and the transfer of the amount standing to the credit of that Fund on the 31st March, 1953, to the Revenue Equalization Fund be approved.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

RESOLUTION REGARDING THE DEVELOPMENT FUND.

THE FINANCIAL SECRETARY moved the following resolution:

Resolved that the appropriation to the Development Fund from general revenues of the Colony of the sum of \$10,000,000 be approved.

He said: This is linked with the Honourable Dr. CHAU'S suggestion that more money be made available for houses for non-expatriate government servants.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

**RESOLUTION REGARDING THE "1941 BALANCES
RECOVERED" DEPOSIT ACCOUNT.**

THE FINANCIAL SECRETARY moved the following resolution:

Resolved that the transfer to the Development Fund of the sum of \$2,757,099.78 now standing to the credit of the deposit account styled "1941 Balances Recovered" be approved.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

THE “BANKRUPTCY (AMENDMENT) ORDINANCE**1953” BILL.**

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled “An Ordinance to amend the Bankruptcy Ordinance, Chapter 6.”

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Second time.

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

Clauses 1 and 2 were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Bankruptcy (Amendment) Ordinance, 1953, Bill had passed through Committee without amendment and moved the Third reading.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

THE “MEDICAL REGISTRATION (AMENDMENT)**ORDINANCE, 1953” BILL.**

DR. YEO KOK CHEANG moved the Second reading of a Bill intituled “An Ordinance to amend the Medical Registration Ordinance, Chapter 161.”

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Second time.

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

Clauses 1 and 2 were agreed to.

Council then resumed.

DR. YEO KOK CHEANG reported that the Medical Registration (Amendment) Ordinance, 1953, Bill had passed through Committee without amendment and moved the Third reading.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

ADJOURNMENT.

H.E. THE GOVERNOR: Council will adjourn until the 15th April.
