

**OFFICIAL REPORT OF PROCEEDINGS.****Meeting of 27th February, 1957.**

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**PRESENT:**HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)

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

HIS EXCELLENCY THE COMMANDER BRITISH FORCES

LIEUTENANT-GENERAL WILLIAM HENRY STRATTON, K.C.B., C.V.O., C.B.E., D.S.O.

THE HONOURABLE THE COLONIAL SECRETARY

MR. EDGEWORTH BERESFORD DAVID, C.M.G.

THE HONOURABLE THE ATTORNEY GENERAL

MR. ARTHUR RIDEHALGH, Q.C.

THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS

MR. BRIAN CHARLES KEITH HAWKINS, C.M.G., O.B.E.

THE HONOURABLE THE FINANCIAL SECRETARY

MR. ARTHUR GRENFELL CLARKE, C.M.G.

DR. THE HONOURABLE YEO KOK CHEANG, C.M.G.

*(Director of Medical and Health Services).*

THE HONOURABLE JOHN FORBES, O.B.E.

*(Acting Director of Public Works).*

THE HONOURABLE DAVID CLIVE CROSBIE TRENCH, M.C.

*(Commissioner of Labour).*

THE HONOURABLE EDMUND BRINSLEY TEESDALE, M.C.

*(Director of Urban Services).*

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

THE HONOURABLE CHARLES EDWARD MICHAEL TERRY, O.B.E.

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

THE HONOURABLE NGAN SHING-KWAN, O.B.E.

THE HONOURABLE DHUN JEHANGIR RUTTONJEE.

THE HONOURABLE CEDRIC BLAKER, M.C., E.D.

THE HONOURABLE KWOK CHAN, O.B.E.

DR. THE HONOURABLE ALBERTO MARIA RODRIGUES, M.B.E., E.D.

MR. DONALD COLLIN CUMYN LUDDINGTON (*Clerk of Councils*).

**MINUTES.**

The Minutes of the meeting of the Council held on 6th February, 1957, were confirmed.

**OATHS.**

MESSRS. DAVID CLIVE CROSBIE TRENCH, M.C., and EDMUND BRINSLEY TEESDALE, M.C., took the Oath of Allegiance and assumed their seats as Members of the Council.

**PAPERS.**

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

*Subject.*

Sessional Paper, 1957: —

No. 10—Annual Report by the Director of Civil Aviation  
for the year 1955/56.

Draft Estimates of Revenue and Expenditure for the year ending  
31st March, 1958.

Memorandum on the Estimates, 1957/58.

Report of the Sub-committee of Finance Committee on the  
Public Works Programme.

Hong Kong Annual Report, 1956.

**ADDRESS BY H. E. THE GOVERNOR.**

Honourable Members:

*"A problem of people". Resettlement.*

This afternoon there has been laid on the table of the Council the Colony's Annual General Report for 1956. I trust that it will be found informative, interesting and encouraging. I do not propose to go over the ground again of what is written in the Report, but I would draw your attention to the opening chapter. In previous years this chapter has been headed "Review of the

Year". On this occasion it is a review of the past ten years; not a general review of those years, but rather a particular review, a review of a particular problem, a human problem: that of the million or so refugees and immigrants who are within our borders and whom we have been trying to house and generally to integrate into the community. It is a remarkable story; remarkable that so much has been done; remarkable that so much has been done by one small community, the community of Hong Kong. It is not remarkable that we have not yet finally solved the problem. But, above all, I would reiterate that fundamentally it is a human problem, a problem of ordinary men, women and children.

In the past ten years our population has increased three to four-fold, the biggest increase being in the years immediately following re-occupation and up to 1950. It had at one time been hoped that the majority of these people would return to China, and that therefore the problem was a temporary one which would solve itself. But they did not return. They had come to stay. The Government was therefore compelled to take action. I use the word "compelled" advisedly, for whilst the Government and everyone else in the Colony had the greatest sympathy with these unfortunate people, to undertake the resettling of them within our small confines was a task vaster than anything we had previously had to deal with. It could not therefore be embarked on lightly. But apart from the humanitarian aspect, the squatters in their crowded, insanitary hovels were a menace to the rest of the community: a menace to health, a menace to law and order and a great fire hazard. They were also occupying, most wastefully, considerable areas of land that were required for low-cost and other housing. It was not until 1951 that Government instituted a policy of resettlement, but it was not until 1954, after the disastrous fire on Christmas Day 1953 at Shek Kip Mei, that we went in for resettlement in a big way. Since then some 210,000 persons have been resettled, but there still remain more than 300,000 to be dealt with. This, it is estimated, will at the present rate of progress take at least six years. Directly and indirectly public funds of perhaps \$330 millions have been spent to date. All this and more is recounted in the opening chapter of the 1956 Annual General Report. This chapter, which is entitled "A problem of people", will be printed and available for sale as a separate pamphlet. It is worth reading.

It has, as I have indicated, been mainly a problem of housing, but the welfare of those who have been resettled has not been overlooked. There have, for instance, been for some time boys' and girls' clubs run by voluntary agencies on the large rooftops of resettlement buildings. Here I should like to digress a moment and say something about the children of the underprivileged, who have to spend most of their lives on the streets without any form of family discipline and without any education, formal or otherwise. There are some 50,000 to 60,000 of them. The task of earning enough money to find food and shelter is so urgent that there is no room left for family life, as those more fortunate understand the term. These street children are growing up without affection, without any ethical standards, in fact without standards of any kind except the will to survive. Some of these children are being helped by meeting their emotional starvation with love, friendship, understanding and good example. This is being done for the 5,500 boys and girls, between the ages of 8 and 18 years, in the 113 clubs which exist in Hong Kong to-day. These clubs are either run directly by, or are affiliated to, the Boys' & Girls' Clubs Association, and include the twenty-one clubs sponsored by the Social Welfare Office. The clubs are centres where these children meet together under supervision, and by engaging in a variety of activities, —such as games, inter-club competitions, visits to places of interest, P.T., simple reading and writing exercises and handicrafts, —they are helped to grow up into healthy and alert men and women, and reliable and thoughtful citizens. This work of the boys' and girls' clubs is really worth while; and here I would like to give you an instance of how they can turn potential little hooligans into responsible citizens. This particular incident occurred during the riots of last October at one of the rooftop clubs at Li Cheng Uk. The members—all youngsters—of this particular club stoutly defended their club, —if you can call a bit of fenced-off rooftop a club, —against all corners; and this was at a time when their leader was not there. In the normal course of events these youngsters might themselves have been rioters or members of a Triad society. Does not this demonstrate how useful from the point of view of society—quite apart from the humanitarian aspect—is the task of succouring these urchins? It is a very practical form of social defence. For this reason Government has approved the programme of the Boys' & Girls' Clubs Association for a planned development over the next three

years in the multi-storey resettlement estates. Quite apart from the normal expansion of the club movement, this programme provides for a further forty boys' and girls' clubs on the rooftops of resettlement blocks. The necessary provision has been made in the draft Estimates by increasing the subvention to the Association from \$75,000 to \$170,000.

I said a moment ago that about 210,000 squatters had been resettled. It may therefore be asked if the time has not come to call a halt, and to concentrate on housing other sections of the community now living in overcrowded tenements. The answer to this is twofold: firstly, the Housing Authority has already been constituted for the express purpose of providing low-cost housing for persons who are not squatters. Secondly, there are still more than 300,000 squatters not yet resettled, and these must be cleared if more sites are to be made available for new building schemes of all kinds, including those which the Housing Authority may wish to undertake.

So much for Resettlement, but what about housing generally?

*Housing.*

Since a year ago over \$100 millions of private capital has been expended on domestic housing, and this is a matter in which the Colony can undoubtedly take legitimate pride. Two million dollars every week of the year. It is true that the new houses, flats and tenements built by private enterprise are not for the most part within the reach of our poorer people, but every square foot of new domestic accommodation adds to our capital assets and has an indirect beneficial effect throughout the whole housing field. Whatever our difficulties, we are fortunate in having private investors who with their enterprise are putting their money into steel and concrete, wherever they can find the land to build on, meeting whatever demand they find the greatest and the most urgent, and meeting it as fast as they can; and we also have what must surely be one of the most efficient building industries in the world to-day. Before I go on to speak of state housing and other forms of non-profit-making housing, I think we should pause and reflect that our chances of really coming to grips with this housing problem would be slim indeed, if we did not have in our midst the skill and enterprise and capital and confidence, which makes possible this present boom in domestic building.

Nevertheless there can be no doubt that state and state-aided housing must play a large and increasing part. The Housing Authority can now be said to be in business on a substantial scale, and Members will have noticed the massive blocks of Housing Authority flats under construction which now dominate the North Point waterfront. These two thousand flats at North Point will be finished this summer, at a cost of about \$30 millions lent from the Development Fund, and two other schemes, requiring further loans amounting to another \$70 millions, have been approved and are being implemented. A further scheme, even larger, I am told, than the three already under way, is now being examined. This is not yet so far advanced as to be reflected in the draft Estimates now before us, but I am sure Members will look on it with sympathy when the financial details are ready for submission.

Any member of the public can apply for these Housing Authority flats provided he has lived here since 1948 and has an income within the range \$300-\$900 a month: some 7,800 eligible families have so far applied. Once an applicant is accepted as eligible, much the most important factor taken into account in determining allocation is the applicant's present housing need, — overcrowding, lack of privacy, sharing of domestic facilities, etc. I think no principle could be fairer.

Apart from the Authority's operations, the past year has seen valuable and encouraging progress made by those voluntary associations and large employers who are interested in the provision of non-profit-making housing. The Hong Kong Housing Society must be mentioned first. This Society, to which great credit is due, now has about 1,450 properties under its management. The Hong Kong Economic Housing Society has completed 280 flats in Tai Kok Tsui. The China Motor Bus Co. has built 200 flats for staff quarters at North Point, and the Government, a very large-scale employer, has financed on generous terms the construction of 360 flats by civil servants' co-operative societies. Many more schemes of this kind for the housing of Government employees are under consideration. It is, and will continue to be, our firm policy to encourage and assist and stimulate all such developments to the greatest possible extent.

I have tried to outline briefly what is being done about housing—by private enterprise, by Government, by voluntary associations, by employers—and it sounds like a good deal. It is

a good deal, but it is not enough. The Special Committee on Housing has been sitting for a little over a year and has made a number of interim recommendations, one of which is that a Development Division be formed in the engineering section of the Public Works Department, to plan and carry out the basic engineering works necessary for the opening up of new land for development, by reclamation, levelling of bills, extension of communications and water supply and the like. The Committee did not say that the carrying out of such works would of itself solve our housing shortage—far from it; but they did say that the problem could not possibly be solved without the carrying out of such works as an essential preliminary; and that, as major engineering works by their nature take a long time to plan and carry out, a start should be made as soon as possible. I regret that it has not yet been possible to give effect to this recommendation, which the Government accepted promptly and without hesitation, because of quite exceptional difficulties in the field of recruitment. Every effort is being made to overcome these difficulties, and the draft Estimates now before honourable Members make provision for this new Division of the Public Works Department.

*Medical and Health.*

Needless to say, this vast population of ours creates many medical and health problems, and not only is it a vast population but it continues to grow;—last year there was a further rise in the number of births and in the birth rate, whereas there was a slight drop in the death rate. One of these problems is hospital accommodation. A recent survey carried out by the Medical Department shows that we have approximately  $2\frac{1}{4}$  beds per 1,000 of population. In 1961, after the completion of the new Kowloon Hospital, the Mental Hospital, and possibly the new Kwong Wah Hospital, we will have approximately  $3\frac{1}{4}$  beds per 1,000 of population. These figures should be compared with an acceptable standard in more advanced countries where 10 beds per 1,000 are considered the minimum. Singapore to-day has  $5\frac{1}{2}$  beds per 1,000 and by 1961 will have  $6\frac{1}{2}$  beds per 1,000, and they are planning to build further hospitals between 1962 and 1965. The Medical Department has recently drawn up a long-term plan covering the period 1957-1972 to increase the hospital accommodation in the Colony. The capital cost is tremendous and the recurrent cost very heavy; but in addition to these limiting

factors there is the difficulty of recruiting and training adequate staff for a programme of this magnitude. The programme as drawn up is for the maximum facilities which the probable number of personnel available could staff. Briefly, the programme includes the construction of a general hospital every second year after the opening of the new Kowloon Hospital; the construction of convalescent hospitals; the expansion of the present Kowloon Hospital as a tuberculosis hospital, and the expansion of the new Mental Hospital. Combined with these would be the construction of clinics and health centres in the more congested areas of the Colony. The plan is still being considered by Government.

Tuberculosis continues to be the most serious of our health problems, and recent figures published by the World Health Organization show Hong Kong to have one of the highest infection rates in the world. The extreme shortage of hospital beds available for the treatment of tuberculosis by conventional methods made it necessary to introduce some years ago a scheme for ambulatory, that is to say, out-patient, treatment of patients attending Government chest clinics. This scheme has shown successful results, but nonetheless the problem of tuberculosis is a very serious one.

The only other medical problem to which I would wish to refer to to-day is that of blindness. It has been estimated that over 75%, that is in three cases out of every four, of blindness in Hong Kong are preventable. This is largely a matter of educating people to take proper care of their eyes, so that the danger of blindness can be avoided, and this is a problem which the Society for the Blind, formed late in 1955, will be tackling seriously.

#### *Education.*

In education the principal task during the past year remained the provision of more primary schools for our large and ever-increasing child population. In all 240,000 children are now receiving a primary education either in full-time sessions or special classes. This represents an increase of 29,000 on the corresponding figures for 1955, and of 64,000 on those that prevailed when the Seven-Year Plan was introduced two years ago. Honourable members will remember that this plan envisaged an annual increase



of 26,000 places in primary schools over seven years. It will be seen therefore that our aim thus far has been more than achieved.

All types of schools have contributed to this result. The first of the new 24-classroom Government schools were opened during the year. These accommodate 2,000 pupils each, in two sessions, and, where the site permits, will be the standard type of Government school for the future. The number of subsidized schools now stands at 353. Several of the older ones have also been extended or rebuilt, and now possess more and larger classrooms. Private schools also have added substantially to their numbers; many of those that are incorporated and non-profit-making being assisted by free grants of land and interest-free building loans. Subject to the maintenance of satisfactory teaching standards, and the observance of necessary health and safety requirements, permission is being given for an increase in the sizes of classes up to forty-five pupils per class.

Despite all this, however, we still have a long way to go. The number of children in primary classes—240,000—represents 9.6% of our estimated total population. This is only 0.7% behind the corresponding percentage of England and Wales in 1955, and on a simple comparative basis may appear not unsatisfactory. But whereas universal education has long been secured in the United Kingdom, we are still far from attaining that goal. The explanation, of course, lies in the much higher birthrate that prevails in Hong Kong.

The growth of primary education impels a proportionate expansion in the scope and size of the higher branches of education, but whereas primary education is basic to all, entry to the higher levels must be selective, and the higher one goes the higher the degree of selection. Entry to all Government secondary schools is reserved almost exclusively for pupils who have satisfied the requirements of the Joint Primary VI Examination. This examination has now been accepted also as a means of entry to the Grant-in-Aid schools, each of which reserves a percentage of places in its lowest form for children selected by this means. The examination is conducted by a joint committee of Education Department and Grant School officials, and as time goes on it will be extended to more and more aspirants for secondary education.

Beyond that stage we have seen during the year the beginnings of important developments in technical education. Work has commenced on the construction of the new Technical College at Hung Hom, and it is anticipated that by next autumn the first of its buildings will be ready for occupation. Here I must acknowledge the splendid help given to Government by many industrial and commercial concerns. In addition to the munificent donation by the Chinese Manufacturers' Union of \$1 million, the Hong Kong Cotton Spinners' Association has contributed the cost of textile workshops and laboratories; friends of Mr. John Keswick have provided substantially for an auditorium and student centre; the Shell Company of Hong Kong has undertaken the equipping of mechanical engineering workshops and foundries, and just recently Mr. Erie Moller and Mr. Ralph Moller have most generously promised a gift of \$500,000 to establish a heat engines laboratory at the College, which will be of the greatest use in the training of young men as marine engineers. (*Applause*). All this will be used to good account. There is no doubt about the need of local industry for young men with first-class training in technical subjects, and, judging by their outstanding successes in United Kingdom examinations during the past few years, there is equally little doubt that our students will take full advantage of the better facilities they will soon enjoy.

For the colleges that provide higher education through the medium of the Chinese language the year has been one of consolidation and growth. Two are now established in their own permanent buildings; five have joined together to form a single institution, and one additional college has been founded. It is fully realized that these colleges have an important and lasting part to play in the life of the Colony, particularly in regard to the further training of students from our middle schools. There should be no necessity for them to look for it beyond our boundaries.

*Other projects.*

I have not dealt with the innumerable other projects that Government is undertaking, or is contemplating undertaking: water supplies, police quarters, slaughter-houses, magistracies, New Territories roads, which are essential or desirable to meet the needs of the community. Such of them as have found a place in next year's draft Estimates will, if of especial significance, be

referred to by the Financial Secretary in his address later this afternoon. Suffice to say the cumulative burden is a heavy one and will cost a great deal of money. That money has to come from taxes, and whether the taxes, be they on profits, cigarettes or anything else, bring in much or little revenue depends in the main on the business prosperity of the Colony.

*Trade & Industry.*

So far as the past year is concerned, I am glad to be able to report that there has been an increase in our external trade over the previous year. Imports during 1956 rose by 22.8% as compared with 1955, while the value of exports went up by 26.7%. The increase in the value of imports and exports combined is to a large extent reflected in a rise in cargo tonnage of over 11%. These figures are a tribute to the resilience of our merchants and manufacturers who have continued to adapt themselves successfully to a new pattern of trade, for although imports from China rose to a total of over \$1,038 millions, the highest figure since the war, total exports to that country during 1956 were even lower than in 1955, despite a tendency to improve in the last few months.

Once again both our manufacturers and those merchants who assist them to find markets overseas can take pride in another year of steady progress. The value of Hong Kong products exported during 1956 has risen by 7.2%. There has been a striking increase in exports to Indonesia, which has replaced Malaya as our second largest customer, despite some slackening of the pace in the second half of the year. The United Kingdom was again the biggest buyer of our products, and Her Majesty's Government has continued to resist pressure from sectional interests for the erection of barriers of one kind or another against Hong Kong goods. We must be grateful for a continuation of the traditional policy that the doors of Britain's markets should be wide open to Colonial products, but at the same time it is not out of place to recall that we import far more from the United Kingdom than we send to that country.

*Conclusion.*

I shall conclude my address, as I began it, by referring to the refugees. This is fundamentally a human problem, which has thrown a very heavy burden on Hong Kong. I said it was remarkable how much we have done. I venture to add that

it is also remarkable how little help we have received from outside. I am aware of, and most grateful for, the large and generous assistance that has been given by the voluntary agencies, but the problem is too vast for them and ourselves alone to solve. Her Majesty's Government gave us £ 200,000 for the Shek Kip Mei disaster and we have also, along with other colonies, received assistance from the Colonial Development & Welfare Fund which, which as its name implies, is for development and welfare projects generally. From this fund we have received or been promised about £ 1½ million. On the other hand we have since 1950 voluntarily given to Her Majesty's Government £ 1 million a year, —£ 1½ million in 1952, —as a contribution towards the cost of the garrison in Hong Kong.

We must look to the nations of the world. I was therefore glad to read in the newspapers at the beginning of this month that the executive committee of the United Nations' Refugee Fund is asking the United Nations' General Assembly to consider the problem. This stems from the visit to Hong Kong, and report to the United Nations' High Commissioner for Refugees, by Dr. Hambro in 1954. I only hope that the matter will be dealt with as a problem of people and not as a game of political football. But whatever the outcome of all this is, I am quite sure that the members of this Council, and indeed all in the Colony, will continue to give succour to these unfortunates who have come to live in our midst. (*Applause*).

**RESOLUTION REGARDING DRAFT ESTIMATES OF  
REVENUE AND EXPENDITURE FOR 1957-58.**

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved that the draft Estimates of Revenue and Expenditure for 1957-58 be referred to a Select Committee composed of the Colonial Secretary (*Chairman*), the Financial Secretary and all the Unofficial Members.

He said: As is usual on the occasion of the introduction of the Budget I propose first, with your Excellency's approval, to dispose of the last published accounts, those for the financial year 1955/56, which have been in the hands of honourable Members for some little time.

The results of that year have been fairly satisfactory, much more satisfactory than was anticipated even at a late stage during that period. Revenue was originally estimated at approximately \$413.7 millions. The final revenue figure came out at \$454.7 millions, a difference of \$41 millions on the right side. Expenditure was originally estimated at \$449 millions, but in the event amounted only to \$402.5 millions, a difference of \$46.5 millions, again on the right side. Twelve months ago I explained the reasons for these differences, the revenue increase being in part due to the high return from luxury taxation, and the expenditure decrease to the fact that many Heads of Departments are still unable to differentiate between their commitments, and the amount of money they can actually spend. This was particularly the case under Public Works Non-Recurrent, where the provision of \$107.4 millions was underspent by \$26 millions, or just about a quarter.

Despite the shortfall in expenditure, it is worth noting that this is the first year in which the Colony's expenditure has exceeded \$400 millions.

The surplus on the year's working was thus \$52.3 millions, but our General Revenue Balance did not increase by this amount, because of the further heavy fall in the value of securities following on the financial policy of Her Majesty's Government in the United Kingdom. The book value of our investments went down as a result of this financial policy by no less an amount than \$34.6 millions. The net result of the year's working was therefore that our General Revenue Balance went up by just over \$17½ millions and on the 31st March, 1956, stood at \$311.4 millions, the investments being valued as on that date.

At the beginning of the present financial year therefore, that is on the 1st April, 1956, if I may here give exact figures, our General Revenue Balance stood at \$311,436,144.57 and our Revenue Equalization Fund stood at \$137,614,760.94. These two funds together constitute our uncommitted reserves and their total on that date came to \$449,050,905.51, a figure which curiously enough almost exactly coincides with the original estimate of revenue for the present financial year 1956/57.

On the whole therefore we have maintained our object of having in reserve a sum equal to one year's revenue. Our liquid position is even more satisfactory, for, of the total assets of \$637½

millions shown in the Colony's balance sheet, cash and gilt-edged investments, including those held for account of the Development Fund, constituted \$612½ millions. It must of course be remembered that a considerable proportion of this sum is earmarked for various liabilities and commitments, especially housing schemes of one sort or another.

On the same date, that is, the commencement of the present financial year, the Colony's debt amounted to \$63¼ millions. This represents an increase of almost \$7 millions as compared with 12 months previously, an increase which is accounted for by drawings totalling over \$8 millions on the interest-free loan granted by Her Majesty's Government for the construction of the new airport. The amounts outstanding on the loans of 1934 and 1940 together totalled only \$6¾ millions, being progressively reduced by annual drawings. The balance of the Sinking Fund held in respect of the 3½% Rehabilitation Loan 1947/48 was just over \$13 millions, as against the outstanding indebtedness of \$46½ millions.

It will be observed that there is a footnote to the Colony's Balance Sheet to the effect that there is a contingent liability of something over \$1.3 millions in respect of the Dollar Note Security Fund. This figure represents the excess of liabilities over assets in the Fund, and is due to writing down of investments. It is a liability that is not likely to materialize. On the occasion of last Chinese New Year we managed to meet all demands for dollar notes and for coins, even though certain shipments, on which we had been counting for the peak demand period, were still on the sea at the time of the festival because of the closure of the Suez Canal. The circulation of 10-cent coins once again broke all records, and the circulation of \$1 notes exceeded \$40 millions.

Whilst on the subject of currency and coins I might perhaps touch on the question of the note issue of the banks which is governed by two Ordinances, the Bank Notes Issue Ordinance, Chapter 65, and the Exchange Fund Ordinance, Chapter 66. On the 31st December, 1955, the total of Certificates of Indebtedness held by the three note-issuing banks under Section 4 of the latter ordinance stood at \$665,141,173.59. On the same date the assets of the Fund, the Exchange Fund, of which 37% were in the form of cash, or money at call or short notice, covered this liability to the extent of just over 108%.

Coming now to the present financial year, so far as revenue is concerned, the feature of the year has once again been the improved yield from what I described last year as luxury taxation. Last financial year the yield from the Dance Halls tax was almost \$1,600,000. This year it seems that the demand for dancing partners is greater than ever, as the revenue figure is expected to touch \$2 millions, and may indeed exceed that amount. It will not escape the notice of honourable Members that this means that \$22 millions are being spent by patrons in public dance halls this year. Liquor revenue over the first forty weeks of this year is up by \$73,000 a week, an increase of just 20%, on last year's figure, even though receipts suffered severely during the time of the adulterated liquor scare. Despite all warnings about lung cancer Tobacco Duty is up by 16%, or \$75,000 a week. The rise in Entertainment Duty is not quite so impressive, being only 7½%, representing \$14,000 a week, over last year. The receipts from the tax on table waters, thanks to the hot summer, look like being a record.

I do not intend to waste the time of honourable Members explaining in detail how the revised estimates of revenue differ from the original figures, for details are available in the Memorandum; but I would like to touch on a few salient points.

I mentioned the fact that the revenue from duties is well up on last year. It will be seen that for this year the revised estimate for duties of all kinds, \$94½ millions, exceeds the estimate of revenue from Earnings and Profits Tax. This has not happened since the financial year 1951/52, when the reinforcing of the Inland Revenue Department began to show results. The yield from the latter tax is somewhat disappointing this year, and even the revised figure of \$92½ millions appears, in the light of the latest returns, to be a little generous. The reason for the fall is primarily the fact that the Department is now up to date in its work and arrears cannot be counted on. It also appears to be the case that margins of profit are somewhat less than they were some years ago, even though the volume of business seems to be improving.

There has been a very considerable increase in the estimate of yield from Estate Duty. Honourable Members will appreciate that this is an item of revenue where estimating is a singularly

unrewarding exercise, and the original estimate of \$5 millions has been increased to \$23 millions largely as a result of contributions from two large estates.

The item described simply as Interest embraces interest on investments, fixed deposits, current accounts, and loans. The original estimate of \$16 millions has been increased to \$18 millions and it is possible that even this latter figure may prove to be a little conservative. One of the reasons for this increase has been the fact that at the beginning of the financial year, with a budgetary deficit in prospect, and with probable heavy calls on our resources for such schemes as the new airport and the new reservoir, and for projected expenditure by the Housing Authority, it was deemed advisable to keep a somewhat larger proportion of our reserves in the form of money at call or short notice. As things turned out this proved a very fortunate decision, in that short term interest rates proved unexpectedly good during the year.

Possibly the revenue from Rates is deserving of some special attention. Rates in the financial year 1947/48, the first full year after the re-establishment of Civil government, yielded approximately \$10 millions. Five years ago, in 1951/52, the figure reached \$30 millions. For the present financial year the revised estimate is \$56¾ millions. These figures are, I think, eloquent of the rapid growth of the Colony, and of the amount of building and re-building that has been going on.

The original Revenue estimate of just under \$450 millions has now been increased to \$498.7 millions. Of this increase of almost \$49 millions, \$18 millions represent the increased receipts from Estate Duty, \$11 millions come from Duties, and \$6 millions from Rates, these three items together accounting for \$35 millions out of the \$49 millions.

Against this revised estimate of revenue the estimate of expenditure has now been reduced from \$493.3 millions to \$484 millions. The reduction is \$9.3 millions or just under 2% of the original estimate. The estimate for Public Works Non-Recurrent is down by only \$5 millions, but the Public Works Department have assured me—have assured me again—that the new estimate is a realistic one. The estimate for Subventions is down by \$8 millions, largely due to bad over-estimating by the



Education Department of their grants to aided schools of one sort or another. Against this decrease of \$13 millions many departments have shown revised estimates of expenditure which represent increases. Full particulars are set forth in the Memorandum and I shall not burden honourable Members with the details.

With the revised estimate of expenditure at \$484 millions and a revised estimate of revenue of \$498.7 millions, there is therefore an anticipated surplus for the present year of \$14.7 millions, which compares most favourably with our original anticipated deficit of \$43.3 millions.

I regard this figure indeed as somewhat conservative for, despite the strictest injunctions to Heads of Departments their estimating still continues to be poor in the extreme. The result of the year, therefore, should be that on the 31st of next month, our general revenue balance should stand at \$326 millions, subject to any revision that may be necessary as a result of changes in the value of our investments.

Before going on to our prospects for next year, I should like, Sir, to dispose of the Development Fund. At the commencement of the present financial year the total of the Fund stood at \$127.6 millions as compared with \$99.4 millions twelve months before. The increase should have been greater but for, again, the fall in the value of gilt-edged securities which necessitated writing down the value of the Fund's investments to the tune of over \$4 millions. Of the balance at the commencement of this year approximately 85% was in liquid form as compared with 93% a year previously. This reduction in the liquid percentage reflects the progress being made in the various schemes which are being financed from the Fund. Reference to the balance sheet at Appendix X of the report of the Accountant General will show that the largest proportion of the advances, almost \$7½ millions, went to housing for non-expatriate Government officers. The next highest figure—\$6.3 millions—was for the Hong Kong Housing Society; the Housing Authority came well behind with only \$1.8 millions. Six months later, at the end of September last, that is half-way through the present financial year, the total of the Fund had increased to \$129.5 millions and the liquid proportion had dropped to 75%. At this time the Housing Authority had become the Fund's largest debtor with \$10.6

millions, so reflecting the progress made on the Java Road scheme. Next came non-expatriate Government officers, who had increased their borrowings for co-operative housing to \$9.8 millions; and third came the Hong Kong Housing Society with \$7.8 millions.

The existing commitments of the Fund are set forth in Appendix I on page 134 of the Estimates. A most encouraging feature has been the response of non-expatriate Government officers to the offer of housing loans at 3½% repayable over 20 years. It will be seen that loans for twenty five schemes have been approved, but this is only the start, as many other co-operatives are in process of formation and of finding suitable sites, and it is probable that the commitment for loans to these societies will be in the region of \$35 millions. I trust that honourable Members will agree that these schemes should be proceeded with, and that the financial commitment should be accepted, for they make a material contribution to the solution of the housing problem. Some of these co-operatives have indeed already started to repay. A less encouraging aspect is the slow progress of the Housing Authority, which seems still to be some way from its declared goal of spending \$40 millions a year on housing.

The Fund is already overcommitted, and it may be necessary to supplement it with another transfer from general revenue in the course of the next two or three years. But its liquid resources are adequate at present, although much depends on the progress of the various housing schemes which have either been approved or are proposed.

I might add finally that since the Estimates were printed a further liability against the Fund has been accepted in that Government has promised a loan of \$2 millions to the Canossian Missions for the purpose of rebuilding the Canossa Hospital which before the war used to stand at Seth's Corner. It is proposed that this institution should be rebuilt to provide 133 beds—beds which are badly needed in the Colony.

Coming now to the Estimates of Expenditure for the forthcoming year, which total \$558.9 millions, I should like to reverse the usual procedure by dealing with detail before I deal with broad outlines. There are two changes in the layout of the

Estimates which are of some little importance. One of them represents a relaxation of financial control, the other represents rather the reverse—a certain amount of tightening.

Under every Head of Expenditure there are necessarily many Subheads of Other Charges, and, with the Colony developing as it is, many cases occur each year in which a department finds that it is unable to meet all its commitments without exceeding some subheads, although it may not need to spend all the funds provided under others. Accordingly it is proposed, as from next year, to group together a number of these subheads under what I might best describe as composite subheads. A good example can be found under the Stores Department on page 121, Other Charges, where it will be seen that a number of former subheads have now been grouped together as items under a new subhead called Administration. Similarly four former Maintenance subheads have been grouped together; so have the three Transport subheads; so have three items of Office Equipment. The idea is that if the department finds that it is running short of funds for, say, Advertising, then it may, subject to the concurrence of the Treasury, draw on anticipated savings on another item under the same subhead, such as, for example, the provision for Uniforms. There will in this case be no necessity to come and seek supplementary provision from Finance Committee and from this Council. I trust that honourable Members will agree that this delegation of authority is justified by the continuing expansion of the work of Government.

The other point, which involves rather increased financial control, is the disappearance from all Heads of the vote for daily-rated staff. In the past it has been the practice for all monthly-paid staff to be shown under the Personal Emoluments subhead, whereas daily-rated staff were paid from an Other Charges block vote. Recent Government policy has been to place more and more staff on monthly, rather than on daily, rates, and even staff recruited on daily rates qualify to go on monthly rates after a certain period. The distinction is therefore becoming a little elusive. Moreover control of the numbers of staff taken on on daily rates and paid from a block vote is at present a matter of some considerable administrative difficulty. Accordingly in the draft Estimates the votes for daily-rated staff disappear completely, and the Personal Emoluments subheads now set forth the details of all staff employed, whether on monthly or on daily rates.

Control is to be directed towards the numbers of staff employed rather than to the financial provision. It has been necessary in a few cases to replace the daily-rated staff vote by a Casual Labour vote as, for example, in the Urban Services Department, where as a result, perhaps, of a squatter fire, or of a landslide, it may be necessary at short notice to recruit casual labour to remedy the damage as quickly as possible.

I trust that this explanation will help honourable Members to understand the changes in form of many of the Heads of Expenditure.

There are no new Heads of Expenditure in the Estimates and it will be seen that nearly all the existing Heads show very considerable increases. Where decreases are shown they are for the most part decreases which are offset by increases elsewhere, due to transfer of responsibility for various services from one department to another. For example the Inland Revenue Department has taken over Stamp Duty and Entertainment Tax from the Treasury, and has taken over Business Registration from the Commerce and Industry Department. The responsibility for registration of births and deaths has been transferred from the Medical Department to the Registrar General's Department; and Scavenging and Sanitary Services in the New Territories are now to be the responsibility of the District Administration, rather than the Medical Department. These and other changes are set forth in detail in the Memorandum.

The feature of the Estimates of expenditure which will probably impress itself most on honourable Members is the increase in staff which is to be found in practically every department. The overall increase is round about 6,000, but of this increase, as I mentioned earlier, a Considerable proportion is due to the inclusion of daily-rated staff which have hitherto been provided for under Other Charges votes. Nevertheless, even allowing for this—so to speak—accounting increase, there is still a substantial increase in establishment. I fear that as the Colony develops and as the functions of Government expand, such increases are unavoidable; so long as the demand for various Government services continues, so must the establishment increase.

The bill for Public Works is once again a record at \$150 millions. The basis for this estimate is set forth in the report of the Sub-Committee of Finance Committee on Public Works, which is in the hands of honourable Members today. It will be observed from that report that the Committee did not take finance into account when making its recommendations. It based its programme of priorities on the public need and left the question of finance to Government. Government has accepted this challenge, and has included in the Estimates all the projects recommended by the Sub-Committee. Government feels, as did the Sub-Committee, that so much is waiting to be done in all fields that the question of finance must not be allowed to interfere unduly with the programme, and that if the inclusion of such a vast programme of Public Works is going to cause a deficit on the Budget for the year, then that deficit must be accepted.

Of the total bill of \$150 millions for Public Works Non-Recurrent, which represents 27% of the whole Budget, \$38.2 millions are required for the Airport and \$24 millions for the Tai Lam Chung Reservoir scheme, a total for these two schemes alone of over \$62 millions, or 40% of the bill. The total capital bill for water works of one sort or another comes to over \$32 millions, and it will be noticed that a small amount of this is in respect of a new reservoir which is to be built in the Shek Pik valley on Lantau. Government has now accepted this commitment, and the total estimated cost is likely to be of the order of \$150 millions, spread over six years. The method of engineering that is forced upon us by the difficulties of the site is a comparatively new one, and I shall not trespass on the sphere of my honourable Friend, Mr. Forbes, in attempting to explain it. Its success is probable but cannot be considered as certain, and before certainty can be attained it will be necessary to do a test of part of what is described in the Estimates as a "cut-off trench and grout curtain", which will cost \$15 millions. Suffice it to say that we shall have to spend about \$2½ millions before we can tell whether the method will be successful so that the full scheme be proceeded with.

Resettlement is again going to take a considerable sum, probably approaching \$20 millions, this figure including \$5 millions for part of the cost of replacing the last of the Bowring bungalows at Shek Kip Mei with multi-storey blocks. The balance of the large bill for Public Works is spread over a considerable variety of projects amongst which schools figure prominently.

No less than eleven new primary schools will be under construction next year. The difficulties of office accommodation seem to be increasing and it is proposed to push on as quickly as possible with the final stage of the Central Government Offices, with its entrance on Ice House Street.

The estimate of Revenue for the forthcoming year differs but slightly from the revised estimate for the present year, exceeding it only by the sum of \$6 millions. There are three notable changes, as compared with the revised estimates for the present year. One is Rates, the estimate for which is up by a further \$3½ millions on the revised figure for this year. Revenue from water has been stepped up by a little over \$3 millions in view of the fact that the new Tai Lam Chung reservoir should come into production very shortly. The total estimate of \$12½ millions for water revenue may be somewhat conservative, but we have already had two very dry years and the Public Works Department is reluctant to agree to a higher figure. If indeed we get a wet year, I am in hopes that this figure will be exceeded, but unlike the electricity companies, our heavy capital outlay need not necessarily produce any more water; we can only provide storage for such water as Providence may see fit to send us in the form of rain. The third marked change from the present year is once again Interest. We expect to take in \$22 millions next year as against the original estimate of \$16 millions and the revised estimate of \$18 millions for the present year. The estimate for total Revenue is \$504½ millions, and I would invite the attention of honourable Members to the remarkable growth in Revenue during the past few years—a growth that has come about without any major changes of taxation. It was only in the financial year 1954/55 that Revenue for the first time topped the \$400 millions mark. Now, three years later, it will top the \$500 millions mark. I leave it to honourable Members to make whatever deductions they may think fit from these figures, but I would make this point. A great deal of care and thought has been given to strengthening and equipping the main revenue producing departments; a good deal of money has been spent too. This policy has paid handsome dividends, and I would like to take this opportunity to pay tribute especially to the Departments of Inland Revenue, Commerce and Industry, and Rating and Valuation, for the work that they are doing: this work may not be especially liked by the individual taxpayer, but should be appreciated by the community as a whole.

The budgetted deficit for the forthcoming year is thus \$54.4 millions, and I have little doubt that honourable Members, in view of our experience this year, will be inclined to consider this as just another estimate which is unlikely to be realized. There are some grounds for this view, as it is apparent that many Heads of Departments still persist in over-estimating the amount of money they can manage to spend. A notable culprit in this respect during past years has been the Public Works Department, in respect of Public Works Non-Recurrent, but for the present year, as I have already mentioned, the Education Department is equally culpable in that their requirements for grants to aided schools, which were actually reduced by me during the budgetting process, now prove to be excessive to the extent of \$7 millions. Moreover it does now appear that the system of estimating for Personal Emoluments, while satisfactory when things are fairly stable, is not so satisfactory when the establishment is expanding at such a rapid rate. The method is that for an establishment, say, of 100 clerks, the total estimate is arrived at by multiplying 100 by the middle point of the salary scale. Normally this averages out remarkably well over a number of departments, but when, as at present, the establishment is expanding so rapidly, then there is a tendency for an undue number of clerks to be near the bottom of the scale, so that the estimate turns out to be too high. For this reason it is not unreasonable to expect savings on the total bill for personal emoluments, and if the savings were only to amount to 10%, the budgetted deficit will thereby be reduced by \$20 millions. On the other hand there are many proposals of one sort or another for which it has not been possible to make any financial provision in the Estimates. One example of this is from the Police. My friend the Commissioner has not yet been able to make up his mind as to what additional requirements are needed as a result of the lessons learned last October, but it is probable that he will require a considerable amount of radio equipment and much more transport. His preliminary estimate of his requirements is \$3 millions. I also understand that he will probably ask for one or two helicopters, a proposition which my honourable Friend and colleague, the Colonial Secretary, who recently had a trip in one, approves most enthusiastically.

It is perhaps a fault of our budgetting system that we simply put all income on one side of the Budget and all expenditure on the other, regardless of whether the income or expenditure is

capital or is recurrent. We are now giving consideration to proposals that for future years we should confine the Budget merely to recurrent revenue and to recurrent expenditure; capital receipts and capital expenditure being dealt with in the form of a Capital Budget. This is a matter still to be decided upon, but it does have a bearing on the Estimates for the forthcoming year. If this system were to be adopted for the present Budget, then the whole bill for Public Works Non-Recurrent would probably be taken out of the Budget and transferred to Capital Expenditure. Receipts which might also be considered as non-recurrent would similarly be transferred to the Capital Budget, but the net result undoubtedly would be that we should have a substantial surplus on our recurrent Budget. It is quite clear that with total spending estimated as being only \$54 millions in excess of total receipts, whereas of that total spending, \$150 millions represents non-recurrent capital expenditure, we are not doing so badly. As I said last year, I think we are amply justified in meeting any deficit from the surplus funds which we have built up during the past 10 years, and this is what we propose to do.

I apologize for having kept honourable Members for so long, but it is no easy matter to compress into so short a period a reasonably comprehensive survey of the Colony's financial position. I trust that what I have said will be adequate to give at least some general idea of our financial position, and to convey to honourable Members that it is one with which we have no reason to fret in any way concerned at the moment.

Before, Sir, I sit down, I feel that I would like to express my thanks to Mr. Dodge, the officer who has had once again the wearisome task of preparing the Estimates and the Memorandum, and the Report of the Public Works Subcommittee. I am sure that honourable Members will join me in wishing him success in the new post to which he will shortly be transferred. (*Applause*).

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

### **PENSIONS (AMENDMENT) BILL, 1957.**

THE COLONIAL SECRETARY moved the First reading of a Bill intituled "An Ordinance to amend the Pensions Ordinance, Chapter 89."



He said: At present, Sir, the age at which a pensionable officer can be called upon to retire from the Government Service in the normal course is 55 for men and 50 for women. This Bill will be one more nail in the coffin of sex discrimination by bringing the retiring age of women up to that of men. In accordance with normal practice the existing rights of serving officers are preserved. The Bill also provides for approval of extensions of service beyond the normal retiring age to be given by Your Excellency without the necessity for consulting Executive Council in every case.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a First time.

*Objects and Reasons.*

The "Objects and Reasons" for the Bill were stated as follows: —

The purpose of this Bill is to amend the Pensions Ordinance, Chapter 89, so as to increase the normal retiring age of female officers holding pensionable offices from 50 years to 55 years but to give all those female officers holding pensionable posts on the 1st day of April, 1957, an option to retire at the age of 50 years. The effect of this measure will be to make the normal retiring age for pensionable female officers the same as that for pensionable male officers, subject only to right of option in the circumstances referred to above.

**SHOPS (HOURS OF CLOSING) (REPEAL) BILL, 1957.**

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to repeal the Shops (Hours of Closing) Ordinance, Chapter 62."

He said: Sir, there is nothing that I can usefully add to the statement of Objects and Reasons at this stage.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

*Objects and Reasons.*

The "Objects and Reasons" for the Bill were stated as follows: —

This Bill seeks to repeal the Shops (Hours of Closing) Ordinance, Chapter 62, which requires that shops shall be closed for the serving of customers by 8 p.m. daily.

2. That Ordinance was enacted in 1940 and it is thought that one of its object was the conservation of fuel and electricity during the war. Even at that time it was difficult to enforce and it is now considered that no good purpose can be achieved by its retention on the statute book.

**SUMMARY OFFENCES (AMENDMENT) BILL, 1957.**

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to further amend the Summary Offences Ordinance, Chapter 228."

He said: Sir, it was provided in section 35 of the Buildings Ordinance, Cap. 123, that every building having a storey, the floor of which was more than 35 feet above street level, should be provided with means of escape in the event of fire, to the satisfaction of the Building Authority, and that such means of escape should not be obstructed. When this Ordinance was replaced by the new Buildings Ordinance in 1955, it was felt that the provision relating to obstruction should not be retained in the latter Ordinance, as it was not concerned with building construction. The purpose of this Bill now before Council is to re-enact section 35 of the repealed Ordinance in amended form, first, to ensure that unless a building has means of escape required by the new Building Regulations, it shall be furnished with such means as the Chief Officer of the Fire Brigade considers necessary, and second, to provide that all ways of escape shall be kept free from obstruction.

Sir, there is a further point which I would emphasize. This measure now before this Council is not being introduced in panic as a result of the recent disastrous fire: the matter has in fact been under consideration for some months, due to there being conflicting interests. On the one hand there was the necessity of

providing against the risks involved on an outbreak of fire, on the other the danger of impeding action against roof-squatters by making it easier for them to gain access to roofs. Sir, it is Government's view that essential precautions must be taken against the serious risk of loss of life by fire in crowded dwellings, and that if landlords are to be helped to combat roof squatting, it should be done by other means. When, for example, the present system of roof squatter patrols comes to be reviewed, it may be possible to substitute a system of periodical inspections in which fire precaution and squatter prevention are combined.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

*Objects and Reasons.*

The "Objects and Reasons" for the Bill were stated as follows: —

This Bill seeks to replace the provisions of section 35, now repealed, of the Buildings Ordinance, Chapter 123, by requiring that all buildings shall be provided with adequate means of escape in the event of fire and enabling the Chief Officer of the Fire Brigade to enforce such requirement.

**ENEMY PROPERTY LEGISLATION REPEAL BILL, 1957.**

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to repeal the Ordinances relating to Trading with the Enemy and Enemy Property."

He said: By the indulgence of this Council I will deal with this Bill and the next one on the Order Paper together: this course seems convenient because the two Bills are related. The first provides for the repeal of existing "trading-with-the-enemy" legislation. The repeal will be effective from a date to be proclaimed, and the reason for this is to allow time in which to wind up outstanding business.

The next Bill contains up-to-date provision on the same subject, and is based on existing legislation in the United Kingdom. The second Bill will go on to the Statute Book upon enactment, but will not be brought into operation unless it is needed.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

*Objects and Reasons.*

The "Objects and Reasons" for the Bill were stated as follows: —

The purpose of this Bill is to enable the Governor, by Proclamation in the *Gazette*, to repeal the Alien Enemies (Winding up) Ordinance, 1914, and the Trading with the Enemy Ordinance, Chapter 188, as soon as the winding up of enemy property seized during the last war has been completed and these Ordinances are no longer required.

**TRADING WITH THE ENEMY BILL, 1957.**

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to impose penalties for trading with the enemy, to make provision as respects the property of enemies and enemy subjects, and for purposes connected with the matters aforesaid."

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

*Objects and Reasons.*

The "Objects and Reasons" for the Bill were stated as follows: —

The object of this Bill is to consolidate and replace the legislation relating to enemy property and trading with the enemy now contained in the Alien Enemies (Winding up) Ordinance, 1914,

and the Trading with the Enemy Ordinance, Chapter 188, by new legislation based closely on the Trading with the Enemy Act, 1939, as amended by the Defence (Trading with the Enemy) Regulations, 1940, and the Emergency Laws (Miscellaneous Provisions) Act, 1953. A Table of Comparison is annexed to these Objects and Reasons, and seeks to indicate briefly the sections of the United Kingdom Act from which the Bill is derived.

### **DEFENCES (FIRING AREAS) (AMENDMENT) BILL, 1957.**

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the Defences (Firing Areas) Ordinance, Chapter 196."

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 to 4 were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Defences (Firing Areas) (Amendment) Bill, 1957 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.

### **DUTIABLE COMMODITIES (AMENDMENT) BILL, 1957.**

THE COLONIAL SECRETARY moved the Second reading of a Bill intituled "An Ordinance to amend the Dutiable Commodities Ordinance, Chapter 109."

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a Second time.

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

Clauses 1 to 6 were agreed to.

Council then resumed.

THE COLONIAL SECRETARY reported that the Dutiable Commodities (Amendment) Bill, 1957 had passed through Committee without amendment and moved the Third reading.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

### **ADJOURNMENT.**

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