

No. $\frac{12}{1938}$.

HONG KONG.

REPORT

OF THE

HOUSING COMMISSION

1935.

dated 11 Jan. 1938

PRINTED BY

NORONHA & CO., HONG KONG
GOVERNMENT PRINTERS & PUBLISHERS.

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(Paragraph references are to paragraphs in Appendix II).

1. A Commission "to enquire into the housing difficulties in Victoria and Kowloon with special reference to overcrowding and its effect on tuberculosis and suggest steps which should be taken to remedy existing conditions" was appointed by Sir William Peel under Proclamation dated 10th May, 1935. A copy of this Proclamation is attached as Appendix I.

2. In March, 1936, Mr. R. A. C. North was appointed Chairman in succession to Mr. N. L. Smith; Mr. J. J. Paterson replaced Sir William Shenton in May, 1936; and Mr. R. R. Todd (Chairman of the Urban Council) replaced Mr. W. J. Carrie in March, 1938.

3. A number of circumstances, including those which led to the appointment of Mr. Smith to act as Colonial Secretary and subsequently as Officer Administering the Government in 1935, the appointment of Mr. North to act as Colonial Secretary in 1936 and 1937, the outbreak of hostilities between China and Japan, and the necessity of securing information regarding action taken elsewhere, led to considerable delay in the preparation of the report.

4. Apart from these circumstances, we have met with some difficulty in reaching an agreement among ourselves in the matter of making definite recommendations, and have been obliged, after much discussion, to abandon our original intention of dealing with our subject in detail, and to substitute proposals which amount, in the main, to a recommendation that the problem be approached *ab initio* by experts who have made a special study of such matters as Town Planning, Housing and Slum Clearance. The most that we feel ourselves qualified to do is to suggest the directions in which this approach should be made.

5. We attach as Appendix II of this report, a memorandum prepared for us by our Secretary, Mr. W. H. Owen. We have given this memorandum very careful consideration and have examined in detail the views and suggestions there put forward.

6. While we are aware that this memorandum contains statements which are controversial, and that some of the suggestions contained therein are regarded as impracticable in present circumstances, we have included it in full and have used it to illustrate the conclusions set out in this report. We hope that this study of the problem, which is based on a careful examination of local conditions and of the methods adopted in other countries, may prove both interesting and useful.

7. It will serve to illustrate the difficulties which must be faced in any attempt to apply to Hong Kong methods which have been adopted elsewhere, if we point out that the standards of housing considered in Appendix II are below those acceptable in many European countries.

8. We have not thought it worth while to burden this report with a discussion of the relationship between overcrowding and tuberculosis, and, indeed, many other contagious and infectious diseases. The facts do not admit of controversy and may, we feel, be taken for granted.

9. Hong Kong is a powerful magnet drawing to itself not only the seekers after work but hangers-on and parasites of all kinds. The struggle for existence is very severe. It is only too common, especially amongst unskilled labourers, to find three men doing the work of one and sharing remuneration which might be adequate for one but is certainly insufficient for three; while the regular employee is fortunate if he is not maintaining a number of relatives out of his earnings.

10. The system of contracting and sub-contracting is often carried to extreme lengths, and results, in many instances, in the inability of the final sub-contractor to pay even the low wages on which he has based his contract.

11. Still more reprehensible is the system by which individuals or organizations levy commission in return for introduction to employment, or exact blackmail in the guise of "fees for protection against competition".

12. Conceivably the various systems by which the proceeds of every piece of work tend to filter through to the largest possible number of individuals might be regarded as an elementary form of practical socialism, without which the even more serious problem of complete unemployment of a large part of the population would have to be faced. We believe that there is no escape from one problem or the other so long as an enormous reservoir of population exists at our door, unless it is a remedy which presents very serious difficulties, namely, restriction of immigration.

13. For these reasons we do not believe that any measures which can reasonably be taken can, in the immediate future, have any noticeable effect on the problem of overcrowding, the problem which we were primarily appointed to consider. We consider, however, that some action is possible which, even if it will not altogether put a stop to overcrowding may eventually reduce its proportions and at least would improve the hygienic conditions of premises, even though they be overcrowded.

14. Our investigations have led us to certain conclusions regarding the causes of overcrowding and the conditions which are essential, if overcrowding is to be alleviated, and improved housing accommodation provided for the masses. Our conclusions are:—

(i). Overcrowding arises almost entirely from poverty which in Hong Kong is so dire that many families cannot afford any rent at all, and that, of the remainder, the majority can afford so little rent that a normal interest rate on capital outlay for housing cannot be obtained. Poverty itself is the result of an economic system over which Government has little or no control. Any attempt to alleviate overcrowding and improve housing must abide by the conditions imposed by that system. (Paragraphs 1, 3, 19-23, 28-70).

(ii). For a great number of the population the rents which can be afforded vary from nothing to a maximum of about \$7.50 per month per family. (Paragraphs 19-23).

(iii). For those who can afford between \$4.00 and \$7.50 per month, it appears feasible under reasonably favourable conditions to provide improved housing without loss. (Paragraphs 64-73).

(iv). The existing standard types of tenement houses, which have been evolved from the use of the China fir pole, are now uneconomical in design and in many details of construction, and the plan is not adapted for family life under existing conditions of poverty. In consequence overcrowding, primarily due to poverty, is accentuated by the system of subletting which arises from accommodation not properly adapted to the needs and circumstances of the population. (Paragraphs 4, 18, 24-29).

(v). Under present circumstances it is not practicable to enforce the law against overcrowding. (Paragraphs 28, 70).

✓ (vi). To reduce overcrowding and permit the law to be enforced it is essential (a) to provide more and better designed houses until sufficient accommodation is available, (b) to decentralize the population, (c) to reduce building density. (Paragraphs 12, 42-61, 64-73).

(vii). Decentralization cannot be achieved unless means of livelihood are provided within easy reach of new housing areas. (Paragraphs 79, 80).

(viii). The bulk of Chinese industries are of the "home" variety. Factories however are being established in increasing numbers, but at present the majority of the concerns are small and cannot afford to build their factories in undeveloped areas. They are therefore competing with householders and housebuilders for premises and sites for their factories and tending to increase the prevailing congestion. (Paragraphs 13-16).

(ix). Before factories can be established outside the populated districts certain requirements must be fulfilled. They include the provision of public services such as water supply, light and power supply, drainage and sewage disposal, adequate

communications and houses for their employees. These requirements should, if possible, be fulfilled in advance of the erection of factories or at least there should be a guarantee that such provision will be made by the time the factories are ready to operate. (Paragraph 16).

(x). At the present time there is a tendency for the factories to increase in size and number. If they be permitted to become established in the congested areas decentralization would be much more difficult and expensive. The cost may well be prohibitive. It is essential therefore that, in order to prevent further congestion in built-up areas, the establishment of factories in those areas should be strictly controlled and that every possible inducement should be offered to attract them to new areas to provide work for the decentralized population. (Paragraph 16).

(xi). The provision of adequate housing for the poorer classes cannot be left to private enterprise unassisted. If the housing is to conform to acceptable standards the return on capital will not be sufficient to attract private enterprise; to put it another way, the return on capital normally expected by private enterprise can only be achieved by overcrowding in houses which are below acceptable standards. If new and improved housing be provided for these classes, it will be necessary to ensure supervision and provide social services on lines similar to those adopted in many European countries. (Paragraphs 4, 33-40, 70, 75).

(xii). Slum clearance envisages reduced building density and reduced population density, and in consequence a large number of the present population will eventually have to be housed elsewhere. This accommodation must be available before slum clearance can be commenced. (Paragraphs 78, 79).

(xiii). Before the actual clearance of slums can be undertaken, it will be necessary to prepare a survey of local industry and housing, each in relation to the other; to prepare a survey of existing buildings, particularly houses, in order to find the number and situation of those which do not conform to acceptable standards; to prepare a key plan as a guide to redevelopment as opportunity occurs; to survey sites and prepare plans for possible new developments; and to prepare legislation and devise machinery necessary to give effect to town planning and housing schemes. This preparatory work and eventual constructional work will take many years and some form of permanent authority will be necessary to organize, carry out and control such an undertaking. (Paragraphs 84, 94-103).

(xiv). If the provision of working class housing and the clearance of slums be undertaken financial provision will be required for:—

- (a) New housing, both in new and built-up areas, for those who can afford a small economic return.
- (b) New housing for those who can only be housed at a loss.
- (c) Compensation arising out of slum clearance.

(xv). Of the means of raising revenue for these purposes two which most immediately occur to mind are a loan or a special tax. A possible alternative is to raise revenue by the issue of "Housing Shares" in the same way that, in commerce, capital is raised by issuing shares. The last method, if successful, would eliminate the sinking fund for amortization of loan. Should circumstances permit funds might be provided from general revenue. For compensation arising out of slum clearance this might be feasible, but the provision of new housing will involve the annual expenditure of large sums, which may be beyond the capacity of general revenue, on its present basis, to provide. The financial aspect needs further examination by specialists. (Paragraphs 62, 63, 71, 72, 75, 86, 89, 90, 92).

(xvi). If and when slum clearance be decided upon, it is highly desirable that progress should be subject to as little fluctuation as possible. This would involve a steady supply of funds. (Paragraph 92).

(xvii). It is also desirable that, in order to combat the evil effects of overcrowding, parks should be provided. It is not suggested that these parks should be laid out and equipped for organized games, but that they should simply be open spaces in which the population can enjoy fresh air. They should be in or close to the congested areas and should be large enough to ensure that the air is

purser than in the neighbouring streets. The provision of the King George V Playing Fields is a step in the right direction, but does not go far enough. There should be many more such parks. (Paragraph 104).

15. In view of the foregoing conclusions we recommend:—

(i). That a permanent Town Planning and Housing Committee be formed to advise Government on Town Planning and Housing matters.

(ii). That a permanent Town Planning and Housing Sub-Department of the Public Works Department be created to carry out the work mentioned in Paragraph 14 (xiii).

(iii). That, when that preliminary work has been completed, it should be subject to review and criticism by an acknowledged expert from England.

(iv). That Government should encourage and, where necessary, assist the establishment, by charitable organizations, of "settlements" in the slum areas.

(v). That Government should consider the erection of experimental quarters for their Asiatic employees. While the provision of these quarters will, in a small degree, increase the amount of available accommodation, their special value will lie in enabling experiments to be made with a view to devising a more satisfactory type of dwelling.

(vi). That Section 167 Sub-Section (3) of the Buildings Ordinance of 1935 be deleted, and the following two sub-sections be substituted:—

(3) The provisions of Sections 6 and 116, so far as they relate to authorized architects, shall not apply in any case in which the Building Authority shall so decide.

(4) Buildings in accordance with type plans, approved under Regulations, prepared under the direction of the Governor in Council, and contained in Schedule O, may be erected in any part of the Colony (Note: Schedule O will, presumably, be prepared by the Town Planning and Housing Committee).

(vii). That Government shall as soon as possible put forward proposals for the provision of parks in suitable areas.

16. We cannot close this report without a reference to the valuable services rendered by our Secretary, Mr. W. H. Owen, and to the enthusiasm and ability which he has shown throughout this enquiry. Mr. Owen has made a special study of the subject of housing and town planning, and Appendix II is only one of a series of memoranda which he has drawn up for the consideration of the Commission. We recommend that suitable acknowledgment should be made of his work in this connexion.

We have the honour to be,

Your Excellency's most obedient servants,

R. A. C. NORTH (*Chairman*),

R. M. HENDERSON,

R. H. KOTEWALL,

LI SHU FAN,

J. J. PATERSON (subject to reservation),

R. R. TODD,

G. W. POPE (subject to reservation),

G. G. WOOD.

HONG KONG, 11th October, 1938.