

C-11/4

SAVINGRAM

To SECRETARY OF STATE FOR THE COLONIES

From the Governor, Hong Kong.

Date 26th April, 1948.

No. 293



Your unnumbered Circular telegrams of 3rd and 25th February and 9th April.

Colonial Capital Investment

The demand for building materials and capital equipment in Hong Kong arises from the need to repair damage done as the result of the occupation of the Colony; to provide housing for a greatly increased population at present crammed into less than the pre-war accommodation; to replace outworn machinery; to build and equip new factories and industrial installations attracted to the Colony by the comparative stability of conditions here as compared with China; to increase the provision of social and public utility services; and (a longer term possibility) to undertake the major replanning of the urban areas involving the removal and reprovisioning of the Royal Naval Dockyard and the Army barracks. So far the major emphasis has been on repair work but already a greater concentration on reconstruction and renewal is noticeable and together with appreciable new building are likely to continue on an important scale during the next two or three years.

2. As regards Government projects, a definite programme of works over a period of years in conformity with an approved development plan has necessarily been deferred pending the receipt of Sir Patrick Abercrombie's report, a comparatively small exception being the interim plan involving expenditure of £500,000 in the rural areas over a period of five years, which was submitted with my despatch No. 244 of 23rd October, 1947.

3. As regards other public works, these may be roughly classified as follows:

- (a) Housing programme for Government staff, schools, hospitals, police stations and other buildings.
- (b) Continued rehabilitation and restoration of existing buildings, workshops and services, and the replacement of plant and machinery.
- (c) Maintaining and affording new facilities for industrial expansion.
- (d) Preparing for long term plans, and carrying out any immediately possible recommendations arising out of Sir Patrick Abercrombie's report when it is received.

4. Although a programme of works and the means to finance them have yet to be determined, work has already begun and including allocations from loan funds about £4 million will be spent this year on public works, of which an approximate allocation is 45% on quarters, offices, markets, schools, clinics; 15% on roads and bridges, 10% on waterworks, and the remainder on drainage, anti-malarial work and miscellaneous rehabilitation services.

5. Prospective projects also include six reclamation schemes totalling £5,500,000; a new airport (£4 - £5 million), and Tai Lam Chung Reservoir (£4 million).

6. Expenditure on the scale provided for this year is likely to continue for the following two years provided materials are procurable and the schemes can be financed; and on the basis of this expenditure a tentative estimate is given in para. 9 of the quantities of materials which it will be necessary to import.

In addition/...