

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 22 July 1981****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE ACTING GOVERNOR (*PRESIDENT*)
THE HONOURABLE THE CHIEF SECRETARY
SIR JACK CATER, K.B.E., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY
MR. JOHN HENRY BREMRIDGE, O.B.E.

THE HONOURABLE THE ATTORNEY GENERAL
MR. JOHN CALVERT GRIFFITHS, Q.C.

THE HONOURABLE DAVID AKERS-JONES, C.M.G., J.P.
SECRETARY FOR THE NEW TERRITORIES

THE HONOURABLE LEWIS MERVYN DAVIES, C.M.G., O.B.E., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE DAVID WYLIE McDONALD, C.M.G., J.P.
DIRECTOR OF PUBLIC WORKS

THE HONOURABLE ALAN JAMES SCOTT, J.P.
SECRETARY FOR INFORMATION

THE HONOURABLE DEREK JOHN CLAREMONT JONES, C.M.G., J.P.
SECRETARY FOR THE ENVIRONMENT

DR. THE HONOURABLE THONG KAH-LEONG, C.B.E., J.P.
DIRECTOR OF MEDICAL AND HEALTH SERVICES

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.
SECRETARY FOR SOCIAL SERVICES

THE HONOURABLE GERALD PAUL NAZARETH, O.B.E., Q.C.
LAW DRAFTSMAN

THE HONOURABLE DONALD LIAO POON-HUAI, O.B.E., J.P.
SECRETARY FOR HOUSING

THE HONOURABLE COLVYN HUGH HAYE, J.P.
DIRECTOR OF EDUCATION

THE HONOURABLE MRS. ANSON CHAN, J.P.
DIRECTOR OF SOCIAL WELFARE (*Acting*)

THE HONOURABLE WONG CHEN-TA, J.P.
DIRECTOR OF AGRICULTURE AND FISHERIES (*Acting*)

THE HONOURABLE LAWRENCE WILLIAMS ROBERT MILLS, J.P.
DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS (*Acting*)

THE HONOURABLE JOSEPH CHARLES ANTHONY HAMMOND, J.P.
COMMISSIONER FOR LABOUR (*Acting*)

THE HONOURABLE HARMAN SINGH GREWAL, E.D., J.P.
SECRETARY FOR THE CIVIL SERVICE (*Acting*)

THE HONOURABLE PIERS JACOBS, O.B.E., J.P.
SECRETARY FOR ECONOMIC SERVICES (*Acting*)

THE HONOURABLE ROGERIO HYNDMAN LOBO, C.B.E., J.P.

THE HONOURABLE LI FOOK-WO, C.B.E., J.P.

DR. THE HONOURABLE HARRY FANG SIN-YANG, C.B.E., J.P.

THE HONOURABLE LO TAK-SHING, O.B.E., J.P.

THE HONOURABLE FRANCIS YUAN-HAO TIEN, O.B.E., J.P.

THE REVD. THE HONOURABLE JOYCE MARY BENNETT, O.B.E., J.P.

THE HONOURABLE CHEN SHOU-LUM, O.B.E., J.P.

THE HONOURABLE LYDIA DUNN, O.B.E., J.P.

DR. THE HONOURABLE HENRY HU HUNG-LICK, O.B.E., J.P.

THE REVD. THE HONOURABLE PATRICK TERENCE McGOVERN, O.B.E., S.J., J.P.

THE HONOURABLE PETER C. WONG, O.B.E., J.P.

THE HONOURABLE WONG LAM, O.B.E., J.P.

THE HONOURABLE CHARLES YEUNG SIU-CHO, O.B.E., J.P.

DR. THE HONOURABLE HO KAM-FAI, J.P.

THE HONOURABLE DAVID KENNEDY NEWBIGGING, J.P.

THE HONOURABLE HU FA-KUANG, J.P.

THE HONOURABLE WONG PO-YAN, O.B.E., J.P.

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, J.P.

THE HONOURABLE CHAN KAM-CHUEN, J.P.

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, J.P.

ABSENT

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR. DENIS CAMPBELL BRAY, C.M.G., C.V.O., J.P.

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, C.M.G., J.P.
SECRETARY FOR EDUCATION

THE HONOURABLE GRAHAM BARNES, J.P.
DIRECTOR OF HOME AFFAIRS

THE HONOURABLE OSWALD VICTOR CHEUNG, C.B.E., Q.C., J.P.

THE HONOURABLE ALEX WU SHU-CHIH, O.B.E., J.P.

DR. THE HONOURABLE RAYSON LISUNG HUANG, C.B.E., J.P.

THE HONOURABLE ALLEN LEE PENG-FAI, J.P.

THE HONOURABLE ANDREW SO KWOK-WING, J.P.

THE HONOURABLE JOHN JOSEPH SWAINE, O.B.E., Q.C., J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MRS. LORNA LEUNG TSUI LAI-MAN

Affirmation

Mr. H. S. GREWAL made the Affirmation of Allegiance and assumed his seat as a Member of the Council.

HIS EXCELLENCY THE PRESIDENT:—I would like to welcome Mr. GREWAL to this Council.

Papers

The following papers were laid pursuant to Standing Order 14(2):—

Subject *L.N.No.*

Subsidiary Legislation:

Legal Aid Ordinance.	
Legal Aid (Assessment of Contributions)(Amendment) Regulations 1981	211
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Immigration Ordinance.	
Immigration (Vietnamese Refugee Centres)(Departure Centre) (Amendment) Rules 1981	217
Kowloon-Canton Railway Ordinance.	
Kowloon-Canton Railway (Restricted Areas) Regulations 1981	218
Shipping and Port Control Ordinance.	
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District Boards Ordinance 1981 (Commencement) Notice 1981	225
Electoral Provisions Ordinance 1981.	
Electoral Provisions Ordinance 1981 (Commencement) Notice 1981	226
Public Revenue Protection Ordinance.	
Public Revenue Protection (Interest Tax) Order 1981	227
Inland Revenue Ordinance.	
Inland Revenue (Interest Tax)(Exemption)(Amendment) Notice 1981	228
Sessional Papers 1980-81:	
No. 58—Kadoorie Agricultural Aid Loan Fund Report for the year 1980-81	
No. 59—J.E. Joseph Trust Fund Report for the period 1 April 1980 to 31 March 1981	

White Paper—Primary Education and Pre-Primary Services

Oral answers to questions

Value of the Hong Kong dollar

1. MR. F. W. LI asked:—*Will the Government make a statement on the implications for our economy of the continuing fall in the value of the Hong Kong dollar?*

THE FINANCIAL SECRETARY:—Sir, my old Friend Mr. LI refers to ‘the continuing fall in value of the Hong Kong dollar’. I agree that between the end of last year and 17 July the exchange value of the Hong Kong dollar in terms of the US dollar depreciated by 11%. The increase in bank deposit rates and associated increase in lending rates then came into effect, and it is too soon to pontificate on the outcome vis-a-vis US dollar exchange rates. I hope that these measures will serve to stop the slide, which was arguably beginning to be of some concern.

Nevertheless Mr. LI of course appreciates that the relationship between the Hong Kong dollar and the U.S. dollar largely if not entirely reflects the unusual and continuing strength of the U.S. dollar against all other currencies, rather than a weakness of the Hong Kong dollar. This is clearly demonstrated by the fact that in terms of the currencies of Hong Kong’s 15 major trading partners the exchange value of the Hong Kong dollar has been virtually unchanged at all this year. On 17 July, the effective exchange rate index of the Hong Kong dollar, at 88.1, was only 0.1% lower than at the end of last year. This morning it was 88.7 i.e. 0.6% higher.

A period of extreme currency fluctuation such as we have seen in recent years makes life very difficult for exporters in all countries, who need to price their products and to know the cost of their imported components. Hong Kong manufacturers are no exception. We can, however, draw some support from the fact that while as of 17 July the Hong Kong dollar has depreciated since the end of the year by 1.5% in terms of the currencies of our major buyers overseas, so improving the competitiveness of our exports, it has at the same time *appreciated* by 0.8% in terms of the currencies of our major suppliers overseas, so reducing the costs of our imports of raw materials and semi-manufactures.

This helpful twist in international currency relationships is a factor in the continuing strength of Hong Kong’s exports. It also applies to the depreciation of the Hong Kong dollar against the US dollar, because as the United States is more important as an export market for Hong Kong products than as a source of our imports (although the price of our fuel in particular is expressed in US dollar), the favourable effect on our export competitiveness of the depreciation of the Hong Kong dollar against the US dollar should be greater than its adverse effects on import prices. This is one reason why Hong Kong’s export performance to the United States has been impressive.

These considerations are unfortunately not simple, and it is often a matter of seeking the least bad outcome after a difficult balancing of arguments. In this respect I agree with the decision of the Hong Kong Association of Banks in increasing deposit rates. Amongst other factors while the associated increase in lending rates undoubtedly brings an additional burden to already hard pressed industrialists and indeed to many others who depend on borrowed money, it should increase the strength of the Hong Kong dollar and thus serve to cut the price of imports. I am always aware of the burden of increasing prices on the community as a whole.

MR. F. W. LI:—*As the Financial Secretary is beginning to show some concern for the fall of the Hong Kong dollar, particularly against the US dollar, can the Financial Secretary inform this Council whether the Government has in fact intervened in the Foreign Exchange market?*

THE FINANCIAL SECRETARY:—No, Sir.

MR. F. W. LI:—*Could the Financial Secretary advise this Council how long the Government expects to allow the Hong Kong dollar to fall before intervention?*

THE FINANCIAL SECRETARY:—Mr. LI is of course making assumptions. I am reluctant to forecast the future except to say that in general terms I believe that the continued advance of the total community of Hong Kong will stand out in history. Particularly as a non-economist my reluctance to be more precise can be exemplified by the following edited recent wise comments by Lord MEFADZEAN.

When economists predict the future they are indulging in nothing more than conjecture: informed to varying degrees they may be, but the end result remains conjecture. Their views should therefore command about the same respect as would be accorded a minor and fairly primitive religion (*laughter*) and one whose devotees have little faith in the very doctrines they expound.

The fact that few, if any, of our economic prophets enjoy much in the way of opulence is not because their religion demands a vote of abstinence: they simply, and for very good reasons, lack faith in themselves (*laughter*).

MR. F. W. LI:—*Referring to the last sentence of the second paragraph of the Financial Secretary's reply, is the Financial Secretary aware that at 2.15 this afternoon the Hong Kong dollar remained weak against the US dollar at 572.70?*

THE FINANCIAL SECRETARY:—I am not, Sir, but I accept Mr. LI's wise advice.

MISS DUNN:—*Sir, would the Financial Secretary agree that the damage to industry resulting from any further increase of interest above the presently high levels of interest would outweigh any benefit which may or may not accrue to the exchange rate?*

THE FINANCIAL SECRETARY:—Again, I must say that I am very reluctant to indulge in conjecture. I accept without any doubt that the burden on industry is very heavy at present. I would be very happy to avoid any increased burden on industry. Beyond that obviously I cannot go.

Control of air-conditioning systems

2. MR. S. L. CHEN asked:—*What measures are being taken by Government to control the design and installation of large exhaust fans and cooling towers for air-conditioning systems used in commercial premises so that:—*

- (a) *they will not constitute a noise nuisance to neighbouring residential premises; and*
(b) *they will not affect the structural safety of the podia and walls of the buildings on which they are installed?*

DIRECTOR OF PUBLIC WORKS:—Sir, at present the control of noise emission from the air-conditioning systems is effected under section 12(1)(h) of the Public Health and Urban Services Ordinance which defines a statutory nuisance and enforcement is exercised as necessary by the issue of nuisance notices under section 127 of the Ordinance. The designated authority for this section is the Urban Council in the Urban Area and the Director of Urban Services in the New Territories.

However, Members are already aware that a Noise Control Bill is in preparation which hopefully will be introduced during the next session of this Council. Included in the initial draft of the Bill are proposed controls for air-conditioning installations which would be much wider in range and effect than currently exist.

Regarding the second part of the question, the structural safety of new buildings is controlled by the requirements of the Buildings Ordinance for higher design loading for machine rooms and areas supporting equipment. Similarly where new plant to be installed in existing buildings necessitate building or structural work the approval and consent of the Building Authority is required.

Braking and rear lights for trams

3. MR. PETER C. WONG asked:—*For the promotion of better driving conditions, will Government consider requiring trams to install rear lights and brake lights?*

SECRETARY FOR THE ENVIRONMENT:—Sir, the possibility of providing trams with rear lights and braking lights has been considered on a number of occasions in the past and rejected. As regards rear lights, trams are already well lit at night by their own interior lighting and there is no reason to suppose that the use of rear lights would make them any more visible to the drivers of other vehicles.

The question of braking lights was examined as far back as 1962 by the then Traffic Advisory Committee who advised against their use. This conclusion was reviewed in 1969 and again in 1975, when questions were asked in this Council and it was confirmed on both occasions. The reasons for doing so remain valid and they are as follows. First, there would appear to be no braking lights in existence which could be adapted for use with the power supply and braking systems of Hong Kong's present trams and it would be difficult and very expensive to design something workable for manufacture here. Secondly, the speed of our trams is not high enough to make it necessary to use braking lights.

And, thirdly, there is no evidence to suggest that any accidents involving trams could have been avoided if trams had been equipped with braking lights.

MR. PETER C. WONG:—*Has the Secretary any idea how difficult and how expensive it would be to design a system for trams to have braking lights and rear lights?*

SECRETARY FOR THE ENVIRONMENT:—Sir, I have some idea. The problem is to design a braking system which goes with the 500 volts DC traction system which the trams use. This has been studied by Hong Kong Tramway Company. They said even if it could be designed it would take three years to equip all the trams with these lights. It was also stated in 1974 by the Principle Government Electrical and Mechanical Engineer who admitted himself baffled by the problem(*laughter*)

Overall education review by O.E.C.D.

4. MR. CHAN KAM-CHUEN asked:—*In view of the impending review of the Hong Kong education system by an independent Panel of Visitors from the O.E.C.D., will Government make a statement on:*

- (a) *how will the Government ensure that the characteristics and problems of our bilingual system are taken fully into account and examined; and*
- (b) *whether it is expected the Visitors' Report will be incorporated in a Green Paper for comments and public debate?*

SECRETARY FOR SOCIAL SERVICES:—Sir, on (a) of this question, factual information regarding language in education in Hong Kong has already been sent to the international panel. Educators and other members of the public who wish to express opinions on this and any other relevant matters have been invited to write to the panel.

On (b) of this question, I would certainly expect the Visitors' Report to be published, and would be surprised if there was no public comment or debate on it, whether it was specifically invited or not.

New Lo Wu station complex

5. DR. HO asked:—*Will Government inform this Council:*

- (a) *when the construction of the new station complex at Lo Wu will commence and when it will be completed; and*
- (b) *what improvements to the existing immigration, customs, passenger and police facilities will be included in the new complex to cope with the growing passenger flow at Lo Wu?*

SECRETARY FOR THE ENVIRONMENT:—Sir, construction of the new station complex at Lo Wu is scheduled to commence in September this year, for completion in May 1984. The new station will be built on the site of the existing station, and temporary facilities will therefore also be needed to release the site for development. Work on the temporary facilities commences this week and it has been programmed in such a way as to minimize the inconvenience to the public. These temporary facilities will increase the present passenger handling capacity at Lo Wu by, for instance, doubling the number of Immigration desks from 18 to 36. Although the temporary station should be completed in March 1982 it will be largely operational in time for Chinese New Year to cater for the very heavy passenger demands experienced at that time of the year.

The new permanent station has been designed to handle 10,000 passengers an hour, that is 5,000 passengers in each direction. All passenger facilities, including Customs and Immigration requirements, have been designed to meet this level of demand and the Customs and Immigration halls will be air-conditioned. Modern baggage handling facilities will also be provided and the station will include a restaurant, kiosks and toilet facilities.

A particular feature is that separate levels will be used for arriving and departing passengers which means that the two streams will be properly segregated. Each of them will be provided with wide walkways across the Shum Chun River. Finally, the Police post will be removed from the station complex into a new building to be provided on an adjacent site.

DR. HO:—*Sir, has the design of the temporary facilities at Lo Wu taken into consideration the comfort of the travellers in transit to China, for example, air-conditioned waiting hall and a spacious restaurant being provided?*

SECRETARY FOR THE ENVIRONMENT:—Sir, in view of the project costs of the whole of this development which is something like 175 million dollars including the temporary station, and the fact that the temporary station will be pulled down when the permanent facilities are available, the facilities there will obviously not be as good as in the permanent station when it is finally built in 1984, but I can assure Dr. Ho that they will be considerably in advance of what is available now.

Government Business

Motions

WHITE PAPER ON-PRIMARY EDUCATION AND PRE-PRIMARY SERVICES

THE SECRETARY FOR SOCIAL SERVICES moved the following motion:—That this Council welcomes the proposals in the White Paper on Primary Education and Pre-primary Services.

He said:—Sir, I move the motion standing in my name on the Order Paper. Although the appointment of the Secretary for Education has already been notified in the *Government Gazette* and I shall be finally handing over policy responsibility for education matters to Mr. TOPLEY on his return from leave at the end of August, it remains for me to sing my swan song on the White Paper on Primary Education and Pre-primary Services which is tabled today.

The publication of this White Paper represents the culmination of several years work starting with the establishment of two working parties, one on the care and education of children below primary school age, and the other on primary education. The reports of these working parties formed the basis of the Green Paper on Primary Education and Pre-primary Services which was published in April 1980. Public reaction to the Green Paper together with the views expressed thereon in this Council during the debate on Miss BENNETT's motion last summer have been most carefully studied. Many of the Green Paper proposals have, as a result, been modified and improved upon, whilst a number of new measures not included in the Green Paper have been introduced. This White Paper then represents the Government's considered views on the future development of primary education and pre-primary services.

Pre-primary Services

The Green Paper proposed the continuation of both child care centre and kindergarten Services for the four and five-year age group, the distinction being based on hours of operation. This was criticized, both in this Council and by the general public, especially in terms of a comparable service being operated by two different departments. The Government now feels that pre-primary services should most effectively be divided at the age corresponding to two years before entry to primary school, with children below that age attending an institution registered under the Child Care Centres Ordinance, and pre-primary children above that age attending kindergartens registered under a suitably amended Education Ordinance. It is intended to phase in these arrangements over a three-year period, starting in 1982.

A few comments advocated the continuation of baby classes for three-year-olds in kindergartens. The Government now intends to permit their operation, provided the classes are registered under the Child Care Centres Ordinance and conform to its standards.

Child Care Centres

The Government's intentions in respect of child care centres as expressed in this White Paper, indicate basically a change of direction. Hitherto, non-profit-making child care centres have been subvented on the understanding that places would be available to those children most in need of care and whose parents have inadequate means. This system has not been working well since individual centres have not had the facilities to operate an effective means test. The result has been that a substantial proportion of children admitted to child care centres

were not, strictly speaking, in need of subsidized care yet they were, nevertheless, benefitting from a substantial subsidy from public funds. The Government now intends to introduce a scheme of financial assistance, based on the individual child rather than on the institution, in which the criteria are demonstrable social need coupled with inadequate financial resources. I shall have more to say about this later.

Kindergartens

Kindergartens play a valuable role in the educational process, yet their standards and nature vary considerably. There are many which have become very formal institutions primarily concerned with preparing their pupils for competitive entrance selection to primary school. Others, particularly those in tenement buildings, act rather like inferior child care centres. The children are crowded together in sub-standard premises, equipment is often lacking, discipline is over-strict and instruction is usually by unqualified teachers. Some kindergartens do follow a more activity-centred approach but these are few and far between.

One of the greatest causes of the lack of activity-centred education in kindergartens is the intense competition to enter popular primary schools. The White Paper introduces a system of control of entry to primary schools which it is hoped will reduce the competition for places and thus effectively reduce the pressure in the system. In order to ease overcrowding and enable teachers to pay more attention to the individual needs of their pupils, it is the Government's intention to restrict to 30, the number of children who may be supervised by one teacher in a kindergarten. This reduction in the maximum class size will be phased in over four years, starting in September 1982.

In order to improve the standards of teaching in kindergartens, the Government intends making it obligatory for kindergartens to employ a proportion of suitably trained teachers, starting with not less than one in each kindergarten in 1984 and rising to 90% of kindergarten staff by 1992. Needless to say a massive teacher training programme is planned to meet these ambitious targets.

A New Training Institute

To ensure that training for both kindergarten teachers and child care centre staff is provided in the most effective and economic manner, it is intended to create a new Training Institute by September 1984. The Institute's courses will be co-ordinated to ensure that substantial parts of them are shared by both kindergarten teachers and child care centre staff.

Primary Education

As suggested in the Green Paper, and generally endorsed by commentators, the Government intends to keep the primary school course to six years with enrolment normally being at the age of six.

The control of entry to primary school is undoubtedly the most contentious issue which this White Paper has to address. After very careful consideration of the comments received, it remains the intention of the Government to ban tests and examinations for entry to Primary I, although it is conceded that properly conducted interviews may be permitted, if desired. The suggestion of limiting the proportion of discretionary Primary I places to 15% and allocating the remaining places through the Education Department proved to be the most controversial proposal in the Green Paper, with some claiming that the discretion was too great, whilst others felt that greater responsibility in the selection of pupils should be vested in the schools. After very considerable soul-searching, the Government has decided to permit schools to offer up to 30% of their Primary I places to pupils from within the district whether or not they have other connections with the school, up to 35% to pupils from either within or without the district but having some defined connection with the school, whilst the remaining 35% will be allocated by the Education Department to pupils living in the district. In this way, schools will be given an opportunity to allocate up to 65% of their places to pupils having some connection with the school, and at the same time no less than 65% of the places will be allocated to pupils living in the district. I feel that these arrangements will go a long way to meeting those who claim that the Green Paper proposals would seriously affect schools' historical and family connections and leave too much to chance, whilst at the same time ensuring that children living in the district will be given an opportunity of attending a neighbourhood school of their choice.

The Activity Approach

The White Paper reaffirms the Government's intention to encourage the activity approach, particularly in the lower forms of primary school. This less formal, pupil-orientated approach, which the Green Paper alluded to as 'learning-by-doing', will be encouraged by: permitting a class size of 35 in schools adopting the approach; offering an initial grant for the purchase of classroom equipment and a recurrent subsidy for the purchase of consumable materials; providing schools which adopt the approach with funds to purchase equipment to assist with the introduction of teaching aids; and to offer schools intending to adopt this approach priority in the systematic retraining of teachers. It is intended to provide sufficient facilities to enable 350 additional classes to adopt the approach each year, rising to 400 classes by 1987.

Quality Improvements

Other measures aimed at improving standards include an extension of the system of class libraries, originally intended in the Green Paper to cover only classes Primary IV to VI, to all primary classes; the provision of better furniture and equipment; improved audio-visual aid services; an improved service for the reviewing of text-books; the tackling of noise pollution in schools; and the strengthening of the Advisory Inspectorate and its services. It is also intended to re-assess the capitation grant to take into account the recurrent cost of teaching materials and services and the needs of the new curriculum. In future, this

review will be carried out annually. I should point out that as a specific item in the capitation grant, the Government intends to provide funds to cover the costs of pupils paying visits to places of educational interest such as Ocean Park, country parks and the Space Museum and of all pupils taking part in sports and cultural activities.

Government Schools and Rural Schools

Perhaps I should mention two specific groups of schools which have been singled out for attention in the White Paper. The first are the Government primary schools. Here, I can confirm that it is the intention to build, as a pilot project, two or three new Government primary schools where there is likely to be a demand for places in such schools. This represents a change from the 1965 Education White Paper which stated that Government should provide schools only where an aided school could not be provided, and complements the 1978 White Paper decision that there should be Government secondary schools in each school net to ensure that there is adequate choice for our children in every district.

The second group are the rural schools. The White Paper reaffirms the Green Paper's intention to improve the standards of these schools so that children educated in them will be better equipped to meet the demands of the junior secondary course. Improved staffing for smaller rural schools, encouragement in the building of some centrally located schools to replace sub-standard village schools, together with a decision to close down where possible the smaller, inefficient schools, are the principal measures which will be taken. It may be of interest to Members to note that the proposals in respect of centrally located schools arose from discussions on the Green Paper in the Sai Kung District Advisory Board.

Class Sizes

It has been decided that in view of the availability of adequate school places in the public sector, the time has come to reduce the maximum primary class size. As a first step, it is intended that with effect from Primary I entry of 1983 no class in the public sector should exceed 40, whilst schools adopting the activity approach will be permitted to reduce the size of their classes to 35. It is anticipated that it will be possible to make further reductions later on subject to the availability of sufficient classrooms and teachers. Since no child need enrol in a private primary school because adequate provision will continue to be made in the public sector, it is not intended to enforce any change in the class size in the private sector. The present legal maximum class size will therefore remain at 45.

Remedial Teaching

Repetition, whereby a pupil repeats a whole year of primary course, is currently running at about 6% per annum. This means that up to 30% of children spend seven years in primary school rather than six. There are a number of

disadvantages to repetition. These include a wide age range in the class, boredom on the part of the repeater and too much pressure on the child to avoid relegation. Repetition also represents wastage of a complete year to solve what may be a relatively minor problem. The Government has therefore decided to encourage the practice of remedial teaching which involves taking a child out of his class and giving additional help to enable him to catch up with the other children. The staffing requirements considered necessary to cope with remedial teaching and other measures designed to improve standards in primary education have led the Government to acknowledge that an improved teacher to class ratio over both the current 1.1 to 1, and the 1.15 to 1 proposed in the Green Paper, is necessary. It is now the intention to improve the teacher to class ratio to 1.2 to 1. I would ask Members to note that it is the intention to review this staffing ratio when the supply of trained teachers and the availability of more classrooms makes it possible and beneficial to the pupils.

Senior Teachers

The Fifth Report of the Standing Commission on Civil Service Salaries and Conditions of Service, which has been accepted by the Government, has already made a number of proposals in respect of heads of schools. It is now also intended to increase the number of senior teachers in schools to take account of the additional responsibilities introduced in the White Paper. A standard 24-class school, for example, will attract, within the overall staffing ratio, an additional two senior teachers.

Despite reservations which have been expressed by a few commentators on the original Green Paper proposals, it is still intended that the Director of Education should play a more active advisory role in the appointment of heads of schools. In coming to this conclusion I would stress that it is not the Government's intention to undermine a responsible sponsor's enduring interest in a school, but rather to ensure that the procedures which result in the selection of the most meritorious as heads of such schools become the general rule in all schools.

Retraining of Teachers

A course of retraining lasting about eight weeks will be available for teachers twice during their teaching careers: the first taking place from five to ten years after initial training, and the second about ten years later. Priority will be given to teachers from schools adopting the activity approach and it is intended that once the scheme is in full operation in 1986, 800 teachers will receive the eight-week full-time course each year. In addition to systematic retraining, there is a need for refresher courses to introduce new curriculum ideas and other innovations. Teachers undertaking these courses will be relieved of some of their teaching duties provided that the courses are considered by the Director of Education to be necessary for the teachers to carry out their work effectively. Priority will be given to heads of primary schools whose needs for training are considered to be of paramount importance, particularly if new curriculum proposals are to be effectively introduced.

Services

If the measures set out in the White Paper are to be effectively implemented, it will be necessary to increase the size of and broaden the base of recruitment to the Advisory Inspectorate. It is intended therefore to open up the basic grade posts to candidates from both within and without the Government sector simultaneously.

Financial Assistance for Pre-primary Services

A number of modifications have been made to proposals set out in the Green Paper on the fee assistance scheme whereby children from low income families may have all or a proportion of their fees for child care centres and kindergartens paid by the Government. In response to comment that the scale of fee assistance was too low, it is now intended that it should be increased so that the level of Government assistance will reduce by only \$15 for every \$100 earned by the family above the public assistance level, less allowable deductions in rent. The scale has been specifically designed to ensure that families at present eligible for a subvented place will not have to pay more in fees than they do at present. In response to the concern expressed by some agencies, it is now intended that an element of direct financial assistance should be retained by providing non-profit-making child care centres with a subvention equivalent to 5% of the approved fees.

In order to encourage the establishment of non-profit-making pre-primary institutions, it is intended to reimburse rents for such institutions both within and outside public housing estates provided the accommodation is of an appropriate standard. Rents incurred by non-profit-making child care centres in public housing estates are already being reimbursed, and agreement has recently been reached with the Housing Authority on a pilot project, whereby some kindergarten premises in public housing estates would be let at concessionary rents to suitable educational bodies on the advice of the Director of Education. If the pilot project, which has already started, is successful it is expected that these arrangements will become permanent and be extended to all estate kindergartens.

Financial Implications

The financial implications of the measures described in the White Paper are considerable, rising from \$144.9 million in 1982-83 and reaching a peak of \$236.5 million in 1984-85. The total costs for the five-year period ending 1986-87 amount to more than \$1,000 million at 1981 costs.

Conclusion

Sir, to summarize the objects and aims of this White Paper, I would say that they are the raising of standards and the improvement of quality in primary education and pre-primary services. It is, of course, self-evident that investment in the young is valuable not only for its own sake, but also for the future well

being of Hong Kong. I am convinced that the measures in this White Paper provide for this.

Sir, I now move that the debate on this motion be adjourned.

Motion made. That the debate on this motion be adjourned—THE SECRETARY FOR SOCIAL SERVICES.

Question put and agreed to.

MONEY LENDERS ORDINANCE 1980

THE SECRETARY FOR ECONOMIC SERVICES moved the following motion:—That Part I of the First Schedule to the Money Lenders Ordinance 1980 be amended in paragraph 2 by inserting after ‘registered’ the following—
‘or licensed’.

He said:—Sir, I move the first motion standing in my name on the Order Paper.

The Money Lenders Ordinance provides for the control and regulation of money lenders and money lending transactions in order to afford protection and relief against excessive interest rates and extortionate stipulations in respect of loans. Certain persons and loans as listed in the First Schedule are exempted from various provisions of the Ordinance.

By virtue of their inclusion in the First Schedule, deposit-taking companies registered under the Deposit-taking Companies Ordinance and their subsidiaries enjoy exempt status. With the enactment of the Deposit-taking Companies (Amendment)(No. 2) Ordinance 1981, which came into operation on 1 July, a new status of ‘licensed deposit-taking company’ has been created. The only difference between registered and licensed deposit-taking companies lies in the type of deposits they are permitted to take. There is not necessarily any difference between the types of lending they do. If the First Schedule to the Money Lenders Ordinance is not amended, there will be an anomaly whereby a licensed (as distinct from a registered) deposit-taking company will be treated as an unlicensed money lender. The amendment to the First Schedule now proposed seeks to remove this anomaly.

Sir, I beg to move.

Question put and agreed to.

TELEPHONE ORDINANCE

THE SECRETARY FOR ECONOMIC SERVICES moved the following motion:—That the Schedule to the Telephone Ordinance be amended—

- (a) in Part II—
- (i) by adding after item 8(f) the following—
‘(g) Atea telephone \$144 per annum.’; and
- (ii) by deleting item 16 and inserting the following—
‘16. For a hands-free unit—
(a) Unit 1 rental \$540 per annum.
(b) Unit 2 rental \$600 per annum.’; and
- (iii) by adding after item 17 the following—
‘18. Autodialling unit \$516 per annum.’; and
- (iv) in the *Note* by deleting ‘and 9’ and substituting the following—
‘,9, 16 and 18’; and
- (b) in Part III—
- (i) by adding after item 6 the following—
‘7. For Dualine 2 + 6
Telephone System—
- | | | |
|---|-------|---|
| (a) Relay set | \$324 | \$250. |
| (b) Telephone instrument-dial
version | \$204 | \$250. |
| (c) Telephone instrument-push
button version | \$300 | \$250. |
| (d) Long connecting cord | — | \$60 for 2 metres plus
\$18 per extra metre (See
Note).’; |
- and
- (ii) in the *Note* by deleting ‘and 4(c), (e) and (g)’ and substituting the following—
‘,4(c), (e) and (g) and 7(d)’.

He said:—Sir, I rise to move the second motion standing in my name in the Order Paper.

The Hong Kong Telephone Company plans to make available to subscribers, on rental terms, four new types of telephone instruments the Dualine 2 + 6 Telephone System, a new version of the Handsfree Unit, the Atea telephone and the autodialling unit.

The new Keyline Telephone System allows for the interconnection of two exchange lines and six extensions. Calls can be made and received from any extension over each exchange line. It also provides an intercom facility, as well as facilities for holding and transferring calls.

A new version of the Handsfree Unit is offered in addition to the one which has been on offer on yearly rental terms, the charges for which were approved

by Members on 3 December 1980. The Telephone Company now offers both versions, described in the proposed resolution as Unit 1 and Unit 2, on monthly rental terms and it is proposed that the installation charge for each should be \$100, to be in line with similar charges for other instruments of this type.

The Atea telephone is a sophisticated instrument which, amongst other features, has supplementary service keys, while the autodialling unit can store up to sixty separate telephone numbers, any one of which it will itself dial at the push of one button.

The Postmaster General has examined the rental and installation charges proposed by the Telephone Company for all these instruments and considers them to be reasonable.

The purpose of this motion is to add to Parts II and III of the Telephone Ordinance (Cap. 269) the charges proposed for the new services as detailed in the resolution.

Sir, I beg to move.

Question put and agreed to.

Second reading of bills

GAMBLING (AMENDMENT) BILL 1981

Resumption of debate on second reading (8 July 1981)

Question proposed.

MR. PETER C. WONG:—Sir, the Gambling (Amendment) Bill 1981 seeks to strengthen the existing law against illegal gambling by adding two presumptions.

The legislation scrutiny group of the Unofficial Members of this Council held several meetings among themselves and with the Administration. As explained by the Acting Attorney General when he introduced the Bill on 8 July 1981, a number of agreed amendments will be introduced.

While it is not possible to quantify the present extent of illegal gambling, we are informed that since the enactment of the principal Ordinance in 1977, the Police has had considerable success in clamping down on illegal gambling. From October 1979 to September 1980, no less than 3,688 raids on casinos, bookmakers and street gamblers were conducted, resulting in 12,345 arrests and the seizure of over 2 million dollars. However, in carrying out its statutory function under the principal Ordinance, the Police has encountered

certain difficulties. It is hoped that some of these will be overcome by the provisions of this Bill.

Sir, I support the motion.

THE ATTORNEY GENERAL:—Sir, I am most grateful to my honourable and learned Friend Mr. Peter C. WONG and his *ad hoc* group for the careful consideration they have given to this Bill and, Sir, I hope at the later stage this afternoon to introduce the agreed amendments, which were previously explained and which therefore I won't need, I hope, to explain again.

Question put and agreed to.

Bill read the second time.

Bill committed to a committee of the whole Council pursuant to Standing Order 43(1).

REGISTRATION OF PERSONS (AMENDMENT) BILL 1981

Resumption of debate on second reading (8 July 1981)

Question proposed.

Question put and agreed to.

Bill read the second time.

Bill committed to a committee of the whole Council pursuant to Standing Order 43(1).

FIRE SERVICES (AMENDMENT) BILL 1981

Resumption of debate on second reading (8 July 1981)

Question proposed.

Question put and agreed to.

Bill read the second time.

Bill committed to a committee of the whole Council pursuant to Standing Order 43(1).

FIXED PENALTY (TRAFFIC CONTRAVENTIONS)(AMENDMENT) BILL 1981**Resumption of debate on second reading (8 July 1981)**

Question proposed.

Question put and agreed to.

Bill read the second time.

Bill committed to a committee of the whole Council pursuant to Standing Order 43(1).

FIXED PENALTY (CRIMINAL PROCEEDINGS)(AMENDMENT) BILL 1981**Resumption of debate on second reading (8 July 1981)**

Question proposed.

Question put and agreed to.

Bill read the second time.

Bill committed to a committee of the whole Council pursuant to Standing Order 43(1).

ROAD TRAFFIC (DRIVING-OFFENCE POINTS) BILL 1981**Resumption of debate on second reading (8 July 1981)**

Question proposed.

MR. LOBO:—This Bill has had a mixed reaction from Unofficial Members; but they all agreed that the proposal to introduce a demerit point system should be examined by them in principle, and if it is to be introduced, to consider whether the list of offences should be amended or extended. Accordingly they wish to study the Bill in some depth during the vacation, and with the intention that the remaining stages should be dealt with immediately after the commencement of the new session. I propose that the resumption of debate on the second reading should be adjourned.

Motion made. That the debate on the second reading of the Bill be further adjourned—MR. R. H. LOBO.

Question put and agreed to.

MEDICAL CLINICS (AMENDMENT) BILL 1981

Resumption of debate on second reading (8 July 1981)

Question proposed.

Question put and agreed to.

Bill read the second time.

Bill committed to a committee of the whole Council pursuant to Standing Order 43 (1).

CRIMINAL PROCEDURE (MISCELLANEOUS PROVISIONS) BILL 1981

Resumption of debate on second reading (8 July 1981)

Question proposed.

Question put and agreed to.

Bill read the second time.

Bill committed to a committee of the whole Council pursuant to Standing Order 43(1).

LEGAL AID (AMENDMENT) BILL 1981

Resumption of debate on second reading (8 July 1981)

Question proposed.

Question put and agreed to.

Bill read the second time.

Bill committed to a committee of the whole Council pursuant to Standing Order 43(1).

MAINTENANCE ORDERS (RECIPROCAL ENFORCEMENT) (AMENDMENT) BILL 1981**Resumption of debate on second reading (8 July 1981)**

Question proposed.

Question put and agreed to.

Bill read the second time.

Bill committed to a committee of the whole Council pursuant to Standing Order 43(1).

MERCHANT SHIPPING (AMENDMENT) BILL 1981**Resumption of debate on second reading (8 July 1981)**

Question proposed.

Question put and agreed to.

Bill read the second time.

Bill committed to a committee of the whole Council pursuant to Standing Order 43(1).

MERCHANT SHIPPING (SAFETY) BILL 1981**Resumption of debate on second reading (8 July 1981)**

Question proposed.

Question put and agreed to.

Bill read the second time.

Bill committed to a committee of the whole Council pursuant to Standing Order 43(1).

Committee stage of bills

Council went into Committee.

GAMBLING (AMENDMENT) BILL 1981

Clause 1 was agreed to.

Clause 2.

THE ATTORNEY GENERAL:—Sir, I move that clause 2 for the reasons already given be amended as set out in the paper already circulated.

Proposed amendment

Clause 2

That clause 2 be amended by deleting ‘, in relation to bookmaking,’.

The amendment was agreed to.

Clause 2, as amended, was agreed to.

Clause 3

THE ATTORNEY GENERAL:—Sir, I move that this clause also be amended for the reasons already given and as set out in the paper circulated.

Proposed amendment

Clause 3

That clause 3 be amended—

- (a) in the proposed new section 19(3)—
 - (i) by deleting ‘section 7(c)’ and substituting the following—
‘section 7(1)(c)’;
 - (ii) by deleting “had such betting slip in his possession for the purposes of” and substituting the following—
‘been’; and
- (b) in the proposed new section 19(4) by deleting ‘or other property’ in both places where it occurs.

The amendment was agreed to.

Clause 3, as amended, was agreed to.

New clause 4. ‘Amendment of section 7’.

Clause read the first time and ordered to be set down for second reading pursuant to Standing Order 46(6).

THE ATTORNEY GENERAL:—In accordance with Standing Order 46(6), I move that new clause 4 as set out in the paper circulated to Members be read a second time.

Question put and agreed to.

Clause read the second time.

THE ATTORNEY GENERAL:—I now move that new clause 4 be added to the Bill.

Proposed Addition

New clause 4

That the following new clause be added after clause 3—

- Amendment of section 7. 4. Section 7 of the principal Ordinance is amended—
- (a) by renumbering the section as subsection (1) thereof; and
 - (b) by inserting after subsection (1) the following—
 - ‘(2) No prosecution shall be instituted under subsection (1)(c) without the consent of the Attorney General.’.

The addition of the new clause was agreed to.

REGISTRATION OF PERSONS (AMENDMENT) BILL 1981

Clauses 1 to 4 were agreed to.

FIRE SERVICES (AMENDMENT) BILL 1981

Clauses 1 to 7 were agreed to.

FIXED PENALTY (TRAFFIC CONTRAVENTIONS)(AMENDMENT) BILL 1981

Clauses 1 to 15 were agreed to.

FIXED PENALTY (CRIMINAL PROCEEDINGS)(AMENDMENT) BILL 1981

Clauses 1 to 11 were agreed to.

MEDICAL CLINICS (AMENDMENT) BILL 1981

Clauses 1 to 3 were agreed to.

CRIMINAL PROCEDURE (MISCELLANEOUS PROVISIONS) BILL 1981

Clause 1 was agreed to.

Clause 2

THE LAW DRAFTSMAN:—I move that clause 2 be amended as set out in the paper circulated to Members. This amendment, Sir, merely corrects inaccurate references to the present maximum fine for two offences, the original objective in the Bill of increasing that maximum to \$5,000 remains unaffected.

*Proposed Amendment***Clause 2**

That clause 2 be amended—

- (a) in paragraph (b) (ii) by deleting “\$500” and substituting the following—
“\$2,000”; and
- (b) in paragraph (c) by deleting “\$500” and substituting the following—
“\$2,000”.

The amendment was agreed to.

Clause 2, as amended, was agreed to.

Clauses 3 and 4 were agreed to.

LEGAL AID (AMENDMENT) BILL 1981

Clauses 1 to 5 were agreed to.

MAINTENANCE ORDERS (RECIPROCAL ENFORCEMENT) (AMENDMENT) BILL 1981

Clauses 1 to 6 were agreed to.

The Schedule was agreed to

MERCHANT SHIPPING (AMENDMENT) BILL 1981

Clauses 1 to 8 were agreed to.

MERCHANT SHIPPING (SAFETY) BILL 1981

Clauses 1 to 124 were agreed to.

Schedule

THE SECRETARY FOR ECONOMIC SERVICES:—Sir, I move that Item 10 of the Schedule to the Bill be amended as set out in the paper circulated to Members.

On 1 May 1981, the United Kingdom Merchant Shipping (Cargo Ship Construction and Survey) Regulations 1981 came into operation and revoked the Merchant Shipping (Cargo Ship Construction and Survey) Regulations 1980 which would have been applicable to Hong Kong by virtue of clause 96 of the Bill. The 1981 Regulations re-enact the provisions of the 1980 Regulations with modifications necessary to give effect to the Protocol of 1978 relating to the 1974 International Convention for the Safety of Life at Sea. The amendment seeks to extend the application of the 1981 Regulations to Hong Kong.

*Proposed amendment***Schedule**

That the Schedule be amended by deleting item 10 and substituting the following—
‘10. Merchant Shipping (Cargo Ship Construction and Survey) Regulations 1981
(S.I. 1981 No. 572) 96’.

The amendment was agreed to.

The Schedule, as amended, was agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

REGISTRATION OF PERSONS (AMENDMENT) BILL

FIRE SERVICES (AMENDMENT) BILL

FIXED PENALTY (TRAFFIC CONTRAVENTIONS)(AMENDMENT) BILL

FIXED PENALTY (CRIMINAL PROCEEDINGS)(AMENDMENT) BILL

MEDICAL CLINICS (AMENDMENT) BILL

LEGAL AID (AMENDMENT) BILL

MAINTENANCE ORDERS (RECIPROCAL ENFORCEMENT) (AMENDMENT) BILL
and the

MERCHANT SHIPPING (AMENDMENT) BILL

had passed through Committee without amendment and the

GAMBLING (AMENDMENT) BILL

CRIMINAL PROCEDURE (MISCELLANEOUS PROVISIONS) BILL and the

MERCHANT SHIPPING (SAFETY) BILL

had passed through Committee with amendments and moved the third reading of each of the eleven Bills.

Question put on each Bill and agreed to.

Bills read the third time and passed.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Thursday, 30 July 1981.

Adjourned accordingly at the half-past three o'clock.