

OFFICIAL REPORT OF PROCEEDINGS**Meeting of 11th January, 1956.****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, 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 HOOTON, Q.C. (*Acting*).

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.

THE HONOURABLE THEODORE LOUIS BOWRING, C.M.G., O.B.E.

(Director of Public Works).

THE HONOURABLE DOUGLAS JAMES SMYTH CROZIER

(Director of Education).

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

(Director of Medical and Health Services).

THE HONOURABLE DAVID RONALD HOLMES, M.B.E., 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. ROBERT WILLIAM PRIMROSE (*Deputy Clerk of Councils*).

MINUTES.

The Minutes of the Meeting of the Council held on 21st December, 1955, were confirmed.

PAPERS.

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

<i>Subject.</i>	<i>G.N. No.</i>
Sessional Papers, 1956: —	
No. 1—Annual Report by the Registrar, Supreme Court for the year 1954-55.	
No. 2—Statement on the Future of Broadcasting in Hong Kong.	
Mining Ordinance, 1954.	
Mining (General) (Amendment) Regulations, 1955	A. 130
Waterworks Ordinance.	
Waterworks (Amendment) Regulations, 1955	A. 131
Tax Reserve Certificates Ordinance, 1955.	
Tax Reserve Certificates Rules, 1955	A. 132
Stamp Ordinance.	
Stamp (Bank Authorization) (No. 9) Order, 1955	A. 133
Corrupt and Illegal Practices Ordinance, 1955.	
Corrupt and Illegal Practices (Urban Council Election Expenses) Order, 1955	A. 134
Supreme Court Ordinance.	
Supreme Court Fees Rules, 1955	A. 135
District Court Ordinance, 1953.	
District Court Civil Procedure (Fees) Rules, 1955	A. 136
Miscellaneous Licences Ordinance.	
Miscellaneous Licences (Amendment) Regulations, 1956	A. 1

He said: Sir, in laying these papers I should like to give notice that the recommendations in Sessional Paper No. 2 on Broadcasting will be the subject of a resolution to be moved at a subsequent meeting of this Council.

RESOLUTION REGARDING UNIVERSITY SALARIES.

THE COLONIAL SECRETARY moved the following resolution: —

Resolved that this Council approves the grant to the University of Hong Kong of the additional subvention required to enable the University to implement the Report dated 24.6.55 of the Salaries and Wages Committee.

He said: Sir, I do not think I need detail the reasons for revising the salaries of University staff. The circumstances in which the Committee came to be appointed are fully set out in paragraphs 5-9 of its Report; the Committee was appointed in November, 1954 and produced the Report which has given rise to this motion in June, 1955. The Report was adopted in principle by the Council of the University in July, 1955 subject to the availability of funds and an application has been made to the Government for the annual subvention to be increased sufficiently to enable the University to implement the recommendations in the Report. This application has received very careful consideration culminating in the resolution now before Council.

I think, Sir, honourable Members will agree that the Report is an admirably clear document and that the Committee has done an excellent task in tidying up the various complexities which make the present scales of remuneration so difficult to understand. It has produced a simple, clear out and comprehensive salary structure; in particular it has tidied up the vexed question of consultation fees on the lines adopted in the United Kingdom as a result of the Spens Report.

Nevertheless, Sir, the estimated cost of implementing the Committee's recommendations is \$1 million a year and before public funds of this order are made available to the University, it is only right and proper that the recommendations should be subjected to careful examination and scrutiny in order to ensure that

this additional expenditure is justified. I should therefore like, Sir, to make a few remarks firstly on the general level of the salaries recommended and secondly on the size of the subvention which the University will be receiving from Government if this resolution is adopted.

On the first point, the determination of appropriate levels of remuneration can only be a matter of assessment in which a number of guiding factors have to be taken into account. It is not a mathematical problem to which there is only one right answer and in the weight to be given to different factors and so in the conclusions to which they lead there is in the last resort room for a genuine difference of opinion. In the present instance the Committee which produced these unanimous findings consisted of two prominent Members of the business community in Hong Kong, two Members of the University and one senior Government officer who had been intimately associated with the last revision of salaries in the Government service. It was thus widely representative and its unanimous conclusions are entitled to the greatest respect. These conclusions were based on certain principles which are set out in the body of the Report and with which I do not think anyone would wish to quarrel. To some persons it may nevertheless appear that the salaries recommended for academic staff are on the generous side. This can only be a matter of opinion and individual assessment but I would ask those who are so minded to remember that the quality of a University and its standing in the academic world is the quality and standing of its academic staff. If we are to see the University of Hong Kong enjoying a high reputation in the academic world, if we are to see it as a live centre of learning and research, if we are to see it furnishing the Community with qualified graduates in every field whose calibre commands comparison with those of other Universities of standing—in short, if we want a first rate University, then we must attract and retain staff of the highest quality. While it may be true that rates of remuneration are not the only factor which comprise the inducement, they are certainly a very pertinent factor and while good terms of service will not necessarily attract first rate staff it is quite certain that without them it is only the second rate which will offer. The present difficulties in recruitment in the University are illustrated by the fact that for 18 academic appointments at the University advertized last year, only 6 suitable applicants applied.

Turning now, Sir, to the size of the Government subvention, all Universities have to rely on public funds to cover the gap between their income and expenditure. Unless they are fortunate enough to have large endowments, the Government subvention they receive has to meet a very substantial part of their expenditure. The annual Government subvention to the University of Malaya with at present very roughly the same number of students as in Hong Kong to meet recurrent expenditure for the quinquennial period 1954 - 9 is the equivalent of \$10 million Hong Kong per annum rising to \$12 million. The present annual Government subvention to the University of Hong Kong is HK\$4.2 million which will be increased to \$5.2 million if this resolution is approved. It is also quite customary to look at Government financial support in terms of the percentage of University recurrent expenditure. Omitting Oxford and Cambridge which have considerable endowments, the percentage figure of the proportion of expenditure borne on public funds for some 20 Universities in the United Kingdom of recent years ranges from 74.8% to 92.4%. In Malaya the figure is 85%. The corresponding figure for the budgetted expenditure of Hong Kong University is at present 48% which will rise to 53% if this resolution is approved. If the endowment from Japanese assets is included as part of the Government subvention these figures will rise to 59 and 63% respectively. I venture to suggest, Sir, that this comparison shows that the Government in providing this extra \$1 million is not being called on to shoulder a burden which is out of keeping with those shouldered by Governments which support Universities in other parts of the Commonwealth.

May I say in conclusion, Sir, that whatever difference of opinion there may be on the terms of the motion now before this Council I am sure that all honourable Members are with me in assuring the University of the support which it needs and to which it is entitled from the Government and in sharing a common desire to see it develop as a first class institution with a reputation second to none and to see it develop on lines which will serve the community and redound to the advantage of this Colony.

THE FINANCIAL SECRETARY seconded.

DR. CHAU SIK NIN: —Your Excellency, I rise to move the amendment to the Resolution standing in my name.

A re-examination of the present salaries and wages structure of the University is overdue, and the Report of the Salaries and Wages Committee of 24th June, 1955, exposes certain anomalies and complexities which should certainly be eliminated. It is true that the salaries and wages attached to some posts are, in the light of present day living costs, inadequate and do not include a sufficient "inducement" element. The Committee was very aware of this fact and has acted in the matter "without reference to the question of cost". Its terms of reference were, however, explicit, namely "To investigate and review the University's salaries and wages structure, salaries and wages scales, and rental charges, and to make recommendations to the Council in the light of any decisions that Government may make in the near future affecting the salaries, etc. of its own employees". The second paragraph of the Report opens "We were informed at the outset that our problem was to draft, without reference to the question of cost, scales which we believed to be fair, etc. etc.". The Committee was, from its terms of reference expected to produce recommendations that were not entirely devoid of some relationship to Government scales of pay, but in making recommendations "without reference to cost", its Report is seriously prejudiced.

The total increase in salaries and wages proposed by the Committee is estimated to cost over one million dollars per annum—an increase of about 17%. One would have expected the Report to give clear reasons justifying such a large increase, particularly when it is remembered that the recent revision of Government salaries was largely in the nature of a consolidation of Cost of Living Allowances and except in special cases, did not make large increases in salaries. The Report, however, though giving certain general principles, is noticeably lacking in reasons for the amount of the increases proposed for academic staff, which are presented as little more than matters of personal opinion. One of the University's representatives, in fact, when asked to explain the proposed boost in the salary for a certain high post could admit no reason at all and said that since the others were getting an increase, that particular person might as well get one too!

It is agreed that the salary structure and scales for academic staff should bear some basic relationship to such scales elsewhere in the world and that they should be such as to encourage recruitment and retention of first-class staff. For instance, the

accepted salary range for professors in Home universities is £ 2,250 to £ 2,850 per annum, although of course there is nothing to stop a University paying more if it has funds available. The Committee recommends a fixed salary of £ 3,250 plus £ 350 Expatriation Allowance, making a total of £ 3,600 per annum for this grade of staff in the Hong Kong University, with an additional allowance of £ 1,000 in lieu of consultant's fees for those permitted consultive practice. Granted, there must be attractions to induce good academic staff to leave their homes and their natural environment to take up posts in Hong Kong, but surely the Expatriation Allowance is for that purpose and then again the difference in the rate of income-tax must be a great point in our favour. No matter how it is viewed, the difficulty of recruitment, which has been experienced equally by Government, cannot in the main be overcome by simply boosting salary scales. Even if the recommendations of the Committee are fully implemented, can these alone guarantee first-class teaching staff? If salary is the only criterion, then the Universities of Oxford and Cambridge have very ordinary staff indeed. General conditions in Hong Kong and the Far East; possibilities of research and cultural life in Hong Kong, and the University's own reputation are potent factors in recruitment.

Surely even academic salaries at the University must bear some relationship to general salaries and conditions in Hong Kong. Or is the University to develop as some secluded, theoretical and ideal organization without close connexion with the realities and needs of the local community, perhaps at a financial cost which is out of proportion to the Colony's capacity and general stage of development and entirely out of keeping with the general education facilities in the Colony. I have stressed many times in the past the enormous problems that face us in the field of primary education and that our principal efforts must be directed to the provision of universal primary schooling which is, after all, the birth-right of every child in Hong Kong. The University's share of the overall public expenditure on education is becoming increasingly large and tends to be out of balance with overall requirements, and we are now threatened with an annual budget for University salaries of nearly \$7½ million.

The Report lacks a clear presentation of present salary scales, Cost of Living Allowances and superannuation together with the proposed new emoluments so that the exact amount of

the increases proposed is not readily apparent. Although there seems no doubt but that the cost of living has permanently increased, it would seem preferable that some, though perhaps small, fraction of salary should remain as Cost of Living Allowance which would vary with living costs and family status, whether single, married or married with children. The arguments in favour of complete abolition of Cost of Living Allowance for academic staff are far from convincing, and the purpose of the proposal seems to be in the main to increase the 10% superannuation contribution. In a comparison of the relative values of University Superannuation and Government pensions, it should be borne in mind that Government pensions cease on death and are not paid to officers who retire before the age of 45. If the present superannuation is considered to be too low, a case should be made out for increasing the present contribution of 10% rather than increasing the basic salary on which the 10% is calculated.

Sir, I have the greatest respect for the University and as an alumnus I look upon it with great sympathy and affection. I have been accused of being out of sympathy with the University and its aspirations. Nothing could be further from the truth. From a personal angle I should like to give the University all it asks for, but as a Member of this Council, I consider it my duty to put aside feelings of sentiment and to view the University in proper perspective and in relation to the overall financial needs of the Colony. My views then, should not be taken as a reflection or criticism of the University or its staff. Indeed I have for both nothing but the highest esteem and I believe I speak for all when I say that our academic staff can hold their own against any in the world. I should like to emphasise, therefore, that when I refer, as I shall do later, to certain posts and offices, I do so in a general manner of speaking and not with reference to the incumbent or to any particular personality.

It would appear quite unjustified and out of keeping with the relative duties and responsibilities of the posts, that the total emoluments of the Vice-Chancellor should be higher than for the Honourable Colonial Secretary or for the Honourable the Chief Justice and that emoluments of professors should be almost identical with the existing rate for Heads of Major Government Departments receiving Cost of Living Allowance at the maximum rate. The proposals, if adopted, will mean that the total

emoluments of the senior academic staff of the University with its Vice-Chancellor and posts for 17 Professors plus one vacancy would exceed the total emoluments of the Honourable Colonial Secretary plus the nine Class I Cadet Officers and the six Heads of the Major Government Departments.

The anomaly referred to is all the more apparent when one compares in detail the present emoluments and duties of certain Government Officers with those proposed for certain academic posts. Thus for example, the Honourable Director of Education, whose emoluments would be equivalent to those of the Professor of Education, bears the responsibility of administering the entire educational system of the Colony outside the University, including the training of all non-graduate teachers. The Professor of Education, on the other hand, is responsible for the one-year training of not more than 40 graduate teachers and is assisted in his duties by one Reader (to be paid at the rate of an Assistant Director of Education) and three Lecturers. This matter can also be viewed from another angle; the head of a large Government Training College, ultimately accommodating 300 full-time students and an equal number of part-time students, would receive emoluments less than that of a Reader in Education, who, in the presence of his Professor, would have no administrative responsibility.

To take a further example; the Professor of Architecture, after adding the awards proposed in lieu of Consultant's fees, would receive total emoluments considerably in excess of those received by the Honourable Director of Public Works. No one is going to suggest that the post of Director of Public Works requires lesser qualifications or experience than the post of Professor of Architecture, and the former's responsibilities are infinitely greater.

And the same applies to other posts and so on.

It is fairly evident that the Honourable Colonial Secretary and the Honourable Chief Justice are entitled to assume that the relative responsibilities of their posts and the dignity attached to the same, entitle them to salaries higher than that of the Vice-Chancellor, and the Class I Cadet Officers and Heads of Major Government Departments cannot be blamed if they feel that their posts should be more highly remunerated than those of

Professors. The public then, who ultimately has to foot the bill, can see that a vicious cycle is being created. This is particularly pertinent in view of the presence in the Colony to-day of the Colonial Office Consultant whose task it is to review the salaries of Superscale and Professional personnel in Government. I therefore warn that the proposed boosts cannot be considered in isolation but must be related to the overall picture of the Colony, and that the proposals of the Committee if implemented in full, can but result in a greatly inflated budget for Civil Servants emoluments.

The salaries of some of the University's staff are inadequate, and I am in favour of some increase—particularly in the lower grades. Until a better case is made out, I cannot however, agree to the full implementation of the Committee's recommendations and I therefore propose an amendment to the Resolution before Council, namely that from the words "the additional" on line 2 to the end of line 5 be deleted and the following inserted:

"an additional subvention not exceeding \$700,000 to enable the University to implement in part the Report dated 24.6.55 of the Salaries and Wages Committee."

MR. NGAN SHING-KWAN: —Your Excellency, it may perhaps be asked what concern it is of this Council how much the University pays its staff. The answer is, of course, quite simple. The University is not self-supporting and must rely to an increasing extent on contributions from the general revenue of the Colony. This is not in itself an uncommon state of affairs and indeed I understand that the percentage of total expenditure met by Government in Hong Kong is less than is the case with most Universities in the United Kingdom. Be that as it may, however, the fact remains that at the beginning of this financial year we voted over \$4 millions towards the running expenses of the University and a further \$3 millions for capital expenditure. In addition, the University derives income from the interest on the \$16 millions realized from the sale of Japanese assets and presented to it by Government. It will be seen, therefore, that when regard is given to the numerous and varied calls on the public purse, our contribution towards the University is not an insignificant one, and I think I may say that this Council has not been niggardly in the past.

In August 1955, we received the report of a Committee appointed by the University to investigate the salaries and wages of both academic and non-academic personnel and were asked to approve the appropriation of an additional sum from public funds to implement the recommendations of that Committee. The amount involved over a full year was estimated to be \$1 million, and it followed that a similar sum would have to be added to future annual votes. Whereas the Committee had, to use its own phrase and in accordance with its terms of reference, made recommendations "without reference to the question of cost", that factor obviously could not be ignored in our own deliberations on the matter.

It was apparent that there was no real problem as far as the non-academic staff were concerned, in that it was merely a question of bringing their pay into line with persons similarly employed in Government Service, and that the sum involved was not excessive. The position with regard to the academic staff is, however, rather different, and it is this aspect that has led me to speak against the resolution before the Council this afternoon and to second the amendment of my honourable Friend, Dr. S. N. Chau, to limit the amount of the additional subvention.

The net outcome of the various recommendations of the Salary Committee is a proposal to raise the pay for academic posts by amounts ranging from 11% in the case of a Lecturer on minimum rates of pay to 41% in the case of a Reader also on minimum rates, the average increase being about 20%. When examining the main grounds for this increase it is, firstly, pertinent to note that the Committee has virtually abandoned the previous policy of correlating University salaries with corresponding grades in Government owing to the difficulty of determining such grades, and reasonable as this may seem in the eyes of the Committee, we in this Council must have regard to the general level of salaries in the Colony, and in particular to those of other persons whose incomes are also affected by our financial policy.

The Committee has assumed that it is the aim of the University to create a first class establishment comparable with the best in the western world, and that the rates of pay must be adequate to attract and retain the highly qualified staff necessary to achieve this object. Admirable as this may be and however much one wishes to see Hong Kong University accorded wider recognition,

it is a principle that cannot be accepted without reservation, as it must, of course, be contingent upon the necessary funds being available. It should here be remembered that this Council has the responsibility of allocating funds for all branches of the Colony's educational programme, and that there is still much to be done in other fields. Great strides have been made in recent years and we shall continue to move forward, but all demands have to be considered on their merits and in the light of the overall picture.

If the proposed new rates of pay are approved, it is the staff already under contract who will be the main beneficiaries, and in view of the substantial increases proposed and the fact that the staff were invited to make representations to the Committee, one might expect the Report to disclose considerable dissatisfaction with existing conditions of service, but there is little evidence of this apart from certain complaints which were made regarding the inadequacy and quality of furniture provided by the University. There is, of course, the question of bringing emoluments in line with similar institutions in the western world and, having regard to the importance attached to this, it is rather surprising that the Report does not include a table of comparative salaries at a first class University such as the Committee had in mind, for without this it is not clear what inducement has been added to attract suitable applicants from the West. It is here interesting to note that, whereas it is customary in the United Kingdom to pay non-medical staff at lower rates than those applicable to clinical posts, no such distinction has been made in the scales drawn up for the University of Hong Kong, and it is perhaps significant that the Committee does not even comment on this. Some idea of the general level of salaries recommended may be deduced, however, from the examples just given by my honourable Friend, by way of comparison with certain posts in the Government Service, which are, to say the least, most disturbing.

Emphasis has been laid on the difficulties experienced in recruiting suitably qualified staff, but this aspect must be examined in its proper perspective, and I would point out that vacant posts represent only a small proportion of the University's total establishment, and that recruitment is also affected by considerations other than finance. I feel that a more modest increase in salary might well prove sufficient to overcome this

difficulty, particularly if, as recommended by the Committee, the difference in the prevailing rates of taxation in Hong Kong and the United Kingdom is stressed in future advertisements.

All things considered, Sir, I am not convinced that it is necessary or advisable to raise salaries to the extent recommended in the Report, and I now formally second the amendment to the resolution.

MR. C. E. M. TERRY: —Sir, my honourable Friends Mr. Chau and Mr. Ngan have given a formidable number of figures and facts in support of the amendment which they propose. I do not propose to try and refute those figures or those facts because they are in fact true. I will confine myself if I may to presenting what I think is the opposite side of the picture.

Speaking in this Council on the 17th March, 1954, Sir, with reference to the University subvention, I said, and I quote from Hansard of that year: "to anybody who has studied the Jennings/Logan Report the question must resolve itself simply into "Do we or do we not need a University in Hong Kong?" This question was in fact posed in 1945/46 when the problems of the rehabilitation and future of the University came under close scrutiny—the answer at that time was "yes", and I believe that is still the correct answer to-day. If that is accepted, there can be no question that the necessary funds must be found,"

Speaking now nearly two years later, Sir, I am more than ever convinced that the answer to that question is "yes", and I am furthermore convinced that if we are to have a University at all it must be a first-rate one. We in Hong Kong pride ourselves that we will not accept the second-rate in anything, and this surely must be our attitude towards our University. The report of the University Salaries and Wages Committee, dated 24th June last year, is a very carefully compiled and admirably presented document, and contains in itself clear evidence of the care and detailed study devoted to it by the members of that Committee. That, of course, Sir, does not necessarily mean that it must be accepted in toto by this Council, but the fact that after careful consideration it was accepted by the Council of the University, among whom are some very hardheaded businessmen of the Colony, must bear weight in our deliberations. I myself when I first studied this document felt that the recommended scales for the academic staff were high. I would go so far as to

say I thought they were too high, but after very careful analysis, and particularly after having had the advantage of hearing the views of the representatives of the University authorities and of the Committee, who met members of this Council for discussion, I still consider them high, but I am prepared to accept the absolute necessity for such rates if we are to attract to the University academic staff of the quality necessary to maintain its prestige.

Addressing the Court of the University on December 8th last year the Vice-Chancellor said in part “ At first sight, our surplus might give you the impression that our budgetting must have been grossly at fault, but the real fault lies in the fact that we are not able to recruit the staff for posts for which we have full approval and for which, therefore, we have to budget ” It goes on: “ here in Hong Kong we are still unable to entice people to join our staff in numbers sufficient for our needs in some of these cases we could not even attract suitable applicants and in others—where applicants were in for jobs at more than one university—the successful applicant naturally refused the least attractive offer, and that unfortunately, and all too frequently, was the offer from the University of Hong Kong . . . ” My last quotation from the Vice-Chancellor is: "I am convinced that unless our Conditions of Service (and in that I include not only salary but leave arrangements, library and research facilities etc.) compare reasonably favourably with those of our sister academic institutions, we will not be able to maintain our status, let alone improve it."

That, Sir, is a plain statement of fact which weighs with me very strongly. I have recently in another Eastern city seen its university in the throes of one of its periodical financial crises; the authorities there had not only suspended recruitment of academic staff but had informed those who had been appointed but had not taken up their appointments that their services would not be required. I saw there the decay of what was once an acknowledged seat of learning, and I consider it incumbent upon us to see so far as it is in our power that no such decay even threatens our University. If, in fact, the cost to the Colony of the University as at present constituted ever does exceed our capacity to pay, then let us seek economics in its composition, but I cannot agree with an acceptance of an overall scaling down of status.

I do not for one moment claim, Sir, that the acceptance of the salaries scales recommended in the Report will inevitably attract the high standard of academic staff which we want. The University authorities themselves do not make that claim; they say merely that unless these levels are offered there is no hope of achieving that standard, and I personally accept that view. I feel, therefore, that we must make the attempt and abide by the result, but under no circumstances would I acquiesce in the maintenance of a second-rate University. Rather would I advocate its complete elimination, and this, as I said in my opening remarks, I do not think is the proper answer to-day.

The difference in money between full implementation as envisaged in the resolution before this Council and the scaling down which is inherent in the amendment proposed by my honourable Friend the Senior Unofficial Member is not by comparison a large sum, but the effects of such a difference in my opinion might well be so far reaching as to render all other expenditure valueless. I therefore, Sir, support the Resolution.

MR. LO MAN WAI: — Your Excellency, I rise to speak against the amendment proposed by Dr. the Hon. S. N. Chau and seconded by the Hon. Ngan Shing-Kwan, and in support of the resolution proposed by the Hon. Colonial Secretary and seconded by the Hon. Financial Secretary. It was quite apparent when this matter came before the Finance Committee of this Council, that there was a clear cleavage of opinion among the Unofficial Members. I now speak not because I harbour any vain hope that anything which I may say will change the mind of those holding a different view from mine. But as I differ from the mover and seconder of the amendment, I feel it is only right and proper for me to explain why I do not agree with them. The question is whether Government should make a further grant to the University to enable it to implement its Report on salaries. In approaching this question, I am guided by the following considerations. Firstly, I believe the Hong Kong University fulfils a vital educational need in the Colony. Secondly, I accept the assumption made in the Report that "the University's aim is to establish itself as a first class university, comparable with the best in the western world; in other words, that in addition to being an educational establishment, it shall be a centre of learning and research, of significance not only in the Colony but in wider spheres." Thirdly, it is an undisputed fact that

nowadays mere donations from the public are insufficient for a university to carry on properly, and I subscribe to the principle that there should be government grants to the University. Fourthly, it is obvious that the University itself cannot implement the Report without a further subvention from government.

Holding these views, I have not the slightest hesitation in accepting the Report for the following reasons: —

- (a) Even those members who are not prepared to accept this Report in toto agree that a re-examination of the present salaries and wages structure of the University is overdue and that the salary structure and scales should encourage the recruitment and reasonable retention of first class academic staff.
- (b) The Committee was appointed by the University Council consisting of five members, three of whom have no connexion with the University, and the Report has been accepted in principal by the University Council.
- (c) The Vice-Chancellor, in his speech at the last meeting of the University Court, again emphasized the difficulties of recruitment of academic staff due to the present conditions of service, and I understand that the Treasurer of the University, who is our leading banker, fully endorses this Report.
- (d) I can find no fault with the principles underlying the Report, namely, in respect of remuneration: —
 - (1) it must not be extravagant;
 - (2) it must attract and retain the best available talent in all grades of employment;
 - (3) it must provide terms which are fair and which conform to a reasonable standard of living;
 - (4) so far as academic and senior administrative staff are concerned, it must be comparable in real value with that which is offered by similar institutions elsewhere;and in respect of the salary structure:
 - (1) that it should be simple and understood and accepted as normal by academic staff;
 - (2) that the "rate for the job" should operate.

Sir, it seems to me that the chief criticism directed by my honourable Friends, Dr. S. N. Chau and Ngan Shing-Kwan, against the proposed salary for the academic staff is based on a comparison with that of the Heads of Government Departments, but as was pointed in the Report, such correlation is not easy to make in respect of academic staff: conditions of service and recruitment differ widely in the two services.

Another criticism is that further subvention of \$1,000,000 required is out of proportion to the Colony's capacity and general stage of development. But it should be borne in mind that even with this further grant, the financial assistance to the University is still below that of the Malaya University, and other comparable universities.

Sir, the effect of these amendment, if carried, and I hope it will not be carried, will mean that the Report cannot be implemented. What will be the result of this? I accept that the view of the Vice-Chancellor that in that case the University will not be able to maintain its status, let alone improve it. I think this would be most regrettable. The University of Hong Kong has been in existence for over 50 years. There is a Chinese proverb to the effect that home grown ginger is not so pungent, and the University of Hong Kong may be looked down upon by some uninstructed persons. But I hold the view that it is worth maintaining, and money spent on its improvement is money well spent. I am fortified in this view when I reflect that our senior Member of this Council, Dr. S. N. Chau and Dr. the Hon. A. M. Rodrigues are graduates of the University. I am not so optimistic as to think that with the implementation of this Report, the University will achieve wonders, but I am satisfied that without it, the University will decline to a second rate institution.

Sir, to prevent this happening, I shall vote against the amendment.

MR. DHUN RUTTONJEE: —Your Excellency, I should like, first of all, to congratulate Mr. Childe and the members of his Committee on a very clear report. It is obvious to even the most casual reader that they have put much thought and considerable time into their investigations.

It has been well argued that the internal affairs of the University are the University's business and cannot be the concern of this Council or any outside body, and some who are listening to this debate this afternoon and others who will read the proceedings in their papers tomorrow, will incline towards that opinion. But the large majority of the public asks, and in my view rightly asks, whether the University justifies the huge sums the taxpayer is called upon to find each year for its maintenance.

It is in my opinion, a great pity that the Committee was under the impression that its recommendations should be made without reference to cost.

It is desirable, and in the tradition, for a University to maintain its autonomy, but absolute independence is possible only insofar as it has independent means. The Hong Kong University has little by the way of endowment and Government has to allocate to it each year disproportionately large grants for recurrent and often capital expenditure. I use the word "disproportionately" wisely, in comparison to a total annual grant made to schools. Indeed, the University owes its very existence to a Government subsidy, and in consequence due regard must be given to the opinion of the public whose motley has made that subsidy possible. It would, in fact, not be out of place to say that the size of the Hong Kong Government's contribution towards the University, places that institution in the category of a Government Department, and in these circumstances I would ask "Is it in the public interest for the University salaries to be out of line with those involving equivalent or greater qualifications and responsibility in Government departments?" I think not. Many believe such discrepancies lead either to justified dissatisfaction or to the see-saw pressure by one side or the another for increases in pay, causing a spiral of ever-rising expenditure at public cost. I therefore say that this Council, charged with the responsibility of watching the public purse, must look ahead, and, though every man should be rewarded according to the job he has to do, it would not be in public interest for us to pass a measure whereby persons whose salaries are largely met by public are remunerated on a scale so out of line with those prevailing for Government servants.

In comparing salaries it is of course necessary to consider all aspects and a common base must be found. The scale suggested by the University Council envisages a high degree of

consolidation, whereas Government salaries include a variable High Cost of Living Allowance. Does this indicate a conflict in policy? Pensions also vary. These and like differences must be resolved before any true comparison can be made.

It is necessary, to avoid confusion and to reach true comparisons, to distinguish between the administrative and the academic posts. The argument that salaries must be generous in order to attract talent applies more to the academic than to the administrative.

In general, some of the existing salaries are already high and some are low. The same flat percentage increase throughout would not restore balance. I would suggest, as a simple general remedy, the largest increases at the bottom, tapering off to the top.

None will deny that the standard of the University should be maintained at a high level; therefore it is more than ever important in this Colony, where the need of primary and technical education is so great, for the University to fix its budget according to the means at its disposal to cut its coat according to the cloth and not to have empire-building aspirations. I would advocate concentration on fewer faculties, on quality rather than on quantity. The University is, in my opinion, handicapped in maintenance and in popular goodwill by an overload of faculties. We are in the position of training people for professional jobs as much as, or more than, serving the pure academic purpose that justifies the true university. I would transfer to the Technical College, as far as possible, the technical education offered by the faculties of fishery, engineering, architecture etc. Admittedly the Technical College would not award degrees, but to do the greatest good to the greatest number in Hong Kong practical rather than academic qualifications are of greater value and the students of the Technical College could apply for membership to professional institutions.

For these reasons, I do not find it possible to vote for the increases as proposed by the Salary and Wages Committee, and I support the views of my Hon. Friends, Dr. S. N. Chau and Mr. S. K. Ngan, that though some adjustment is obviously called for, this should not be more than is required to bring University pay into line with Government scales. I therefore support the amendment proposed by my honourable Friend Dr. S. N. Chau.

MR. C. BLAKER: —Sir, I rise to oppose the amendment because I am satisfied that the Salaries & Wages Committee in their report fast June exhaustively considered all aspects of the problem and came to the right conclusion. The situation with which we are faced is a very serious one indeed. In the last academic year the University has been unable to fill 12 out of the 18 senior academic posts which have become vacant. No university which allows a situation of that kind to exist can hope to maintain its standards let alone improve them. Indeed I fail to see how it can continue to survive.

There may be many reasons for the failure to attract candidates but one of the most important—and the only one with which we are now concerned—undoubtedly is that the salaries which the University has until now been able to offer have been very much too low to attract the right people to leave the United Kingdom. This position will not have been improved by the report of the Royal Commission on Civil Service Salaries, laid before Parliament in November, which recommends very substantial increases in the salaries of all ranks of the United Kingdom Civil Service.

The problem is not merely one of improving the level of the teaching staff—it is to find any teaching staff at all. This is not a problem which can be solved by niggardly or half hearted measures. It is one which demands and demands immediately a new and generous approach. The sole way open to us of attracting the right people to come to Hong Kong in sufficient numbers is to make it financially worth their while. We can only do that if the increases in the salaries and allowances offered are really substantial. We cannot be sure that even then the problem of recruitment will be solved. But we *can* be sure that if the increases we make are insufficient we may as well abandon here and now any attempt to provide Hong Kong with a University worthy of the name.

It has been suggested that the salaries proposed for University staff are unreasonably high in relation to those of Government employees. This overlooks the many subsidiary benefits enjoyed by the latter which the former do not get. These benefits include: —

- (1) Better quarters with better furniture and more of it.
- (2) Free dental service, for officers as well as families.

- (3) Better leave conditions.
- (4) Interest free loans for the purchase of cars and, in many cases, free garaging.

It may be that there are other advantages of a similar nature. All these matters were taken into account by the Special Committee when making their recommendations, and it is quite unrealistic to overlook them and make a comparison between salaries alone. Another, and indeed the most important, aspect in which the Government employee enjoys an advantage over the University teacher is that of benefits on retirement. In the academic world, as we all know, it is not customary or, generally speaking, desirable for a man to spend his whole career at one University. When he is promoted from say Lecturer to Reader it often happens that he changes his University, and his retirement benefits inevitably suffer. The Government servant on the other hand usually stays in the same service for the whole of his career. Quite apart from this question of continuity, one outstanding advantage of the Government scheme is that the pension is geared to final salary, whereas past contributions to the University superannuation fund continue to be of steadily less value due to inflation. Taking into consideration that a third of the total contributions to the superannuation fund are provided by the employee himself, it is probably true to say that the Government pension scheme gives a yield to the individual of some three or four times the amount given to the University employee.

It has been suggested that the salary recommended for the Vice-Chancellor exceeds that of the Colonial Secretary and that those of Professors exceed the salaries of heads of major departments. If one takes into account the subsidiary benefits enjoyed by Government employees it will be found that this is not so. But, even if it were so, the salary proposed for the Vice-Chancellor must be on a scale which will continue to attract an administrator of the highest calibre.

Even the proposers of the amendment are agreed that some increase in the subvention must be made. But by suggesting a comparatively small cut in the full amount proposed they risk destroying the most important object which we hope to achieve. That objective is to improve substantially the conditions offered to teaching staff and it is precisely on the salaries of the teaching staff that the suggested cut would fall.

In short, Sir, the amendment invites us to spoil the ship for a ha'porth of tar and I ask Council to reject it.

MR. KWOK CHAN: —Sir, the subject on which a resolution is being brought before Council today is one which has undoubtedly been engaging the closest attention of honourable embers for some considerable time.

The proposer of the amendment to the resolution and his seconder have spoken at length on it, and there are only a few remarks I would wish to add in support of the amendment.

Under its terms of reference, and apparently guided by the principle of drafting scales of pay without reference to the question of cost, the Salaries and Wages Committee appointed by the University Council has submitted a comprehensive report which has undoubtedly entailed much valuable time and hard work. This report having now come before Council, for Council's approval (or non-approval) of an additional subvention to implement the recommendations contained therein, the question of cost comes within our consideration.

Any additional subvention would mean committing the Colony as a whole to a further increase of expenditure over and above the budgetted figure, and while the general conditions of trade are showing the unfavourable effect of the embargo, with little likelihood of an early recovery, we are increasingly conscious of our duty to the taxpayers in exercising reasonable frugality in the Colony's spending.

At the same time it is our desire to give continued support to our University, and as far as circumstances permit, to give appropriate financial aid to it.

It has been argued that the percentage of Government's responsibility for the expenditure of the University here is lower than that of other universities in the United Kingdom. But when one comes to reckon that Government subvention has risen from its lowest percentage of 32% in 1953 to 68.3% in 1954 and 64% in 1955 as far as I can work out it cannot be denied that in the matter of government grant to universities Hong Kong has come almost up to the level of Oxford (65.4%); and that in the case of Cambridge (54.4%) Hong Kong's contribution is even higher.

True, we find a place like North Staffordshire where the percentage was as high as 92.4%, but we should bear in mind that the grant from government was only £ 143,000., which reflects the comparatively smaller sum required to run the university there. In the case of the University of Malaya I understand that the government grant is shared proportionally between the Federation of Malaya and the Government of Singapore. For a place like Hong Kong where the population is predominantly Chinese-speaking the public contribution to the University, having to be borne by the Colony alone, is extremely generous, especially when capital grants from sources like reparations have not been taken into account.

When we consider that in the short space of two years the government subvention to the University has been doubled, we may be pardoned for feeling some degree of surprise that now, after only one year later, yet further demands should be made on public money.

It is evident that when drafting its recommendations the Committee took into consideration the statement of the 1948 Salaries Commission to the effect that the salaries of the University staff should be correlated as closely as circumstances permitted with those of corresponding grades in the Government service, with whom members of the University often work in close contact. The committee appeared to base its report on certain principles, one of which was, that salaries paid must be such as to attract and retain the best available talent in all grades of employment.

Looking at the fantastically high remuneration recommended for the administrative head of the University, one begins to wonder whether one could find any officer in the highest grades of the Government service, whose scale of pay was commensurate. It needs some better justification than that which has been advanced in the report to convince us that the remuneration recommended is not extravagant.

Coming to the question of fixing scales of pay that will attract the best available talent in all grades of employment, I am of the opinion that unless the scale of pay could at all times be maintained at a level surpassing that of other universities—a thing I believe to be highly costly if not undesirable—the result

is liable to be uncertain. Moreover, the possibility of other universities taking similar steps to raise their scale of pay with the same object to attracting talent should not be ruled out. The advantage to this University, should full additional subvention be approved, would, in consequence of such possible measures, become short-lived.

Taking these aspects into careful consideration I regard the figure of \$700,000 suggested in the proposed amendment to enable the University to make a fair adjustment of its salaries and wages as not unreasonable, and I think that unwillingness on the part of Government to approve the additional subvention in full alone would not jeopardize the future of the University. We may bear in mind that a little saving here and there, as far as public spending is concerned, goes a long way towards putting off the possibility of further increase of taxation, which will become unavoidable if this Colony has to face heavier deficits in the future years.

At a time of general financial stringency like the present, when money is getting to be more difficult to earn, and when most people in this colony are having to tighten their belts, many persons may feel that a further near three-quarters of a million dollars on top of the already existing Government subvention is as far as generosity should go, and that for the University to dwell in a financial cloud-cuckoo-land of limitless expansion while the rest of the Colony endures the harsh realities of economic depression, is neither equitable nor reasonable.

Sir, I hope it will be appreciated that the proposed amendment does not constitute an outright rejection of the resolution, and in consequence need not cause any disappointment to those concerned. On the basis of the figure suggested in the amendment it should be possible to allow fairly reasonable increases.

I further hope that this proposition will not be interpreted as indicating that our support of the University is in any way diminished. On the contrary, the fact that we, supporters of the amendment, are prepared to vote for the appropriation of this substantial sum, despite the adverse economic condition now prevailing, bears witness to the enthusiastic interest we have in the welfare of this university of ours—an institution of advanced studies upon which each generation may continue to count for

the necessary training to enable it to face the future with better confidence and, whenever the opportunity arises, to contribute a fair share towards the progress and prosperity of this Colony in which they make their home.

Sir, with these few remarks I beg to support the amendment.

DR. A. M. RODRIGUES: —Your Excellency, the last increase to the present level of Government Subventions to the University was prompted by the recommendations made in the Jennings/Logan report regarding University finance. With your permission, Sir, I would like to recall to honourable Members the recommendations made in this report regarding conditions of service, not only because the report was read so long ago and hence details contained in it may quite easily have been forgotten, but also because what I am about to read anticipates some of the comments that have been made by honourable Members before me. Paragraph 156 of the report reads: "Conditions of service in respect of salary scales, allowances, leave and housing depend primarily upon local conditions. In so far as expatriate staff is concerned, they depend also on the fact that the University of Hong Kong has to compete in a restricted Market with other Commonwealth Universities: the conditions for living and working has to be sufficiently attractive to overcome the disadvantage of expatriation. The local standard to which the University conforms with variations is that of the public service. We think, however, that there is a tendency for this conformity to be too strict and to fail to take into consideration the special requirements of the University." The report states further on "the hierarchy of a University is different from the hierarchy of the Colonial Service."

Here then is the "raison d'être" of the Salaries and Wages Committee, the implementation of whose report we are concerned with today. In its deliberations the Committee had the benefit of eight Salary Reports including that of the Hong Kong Salaries Commission and the more recent Revised Scheme for Salaries and Allowances for Government Officers. It also had as a member a Government Cadet Officer whose particular knowledge and experience with regard to salaries was invaluable. The Honourable the Colonial Secretary has eloquently introduced the present resolution. I fully agree that the report is a good one. I am also in full agreement with my honourable Colleague

Dr. Chau in that one should consider it in the light of its effect on our educational programme. I am, however, of the opinion that this consideration lends even heavier weight to the arguments in favour of total implementation of the Salaries Report.

Honourable Members have, from time to time, approved the expenditure required to fulfil our rapidly expanding educational programme. Grants, subsidies, and capital non-interest loans have run into substantial figures. We have also approved the long-term programme so ably outlined by my honourable Friend the Director of Education. Surely, we would be failing in our duty if, within our educational system, we did not ensure that Our, and I repeat, Our University functioned at a high and accepted academic level. Like all Universities it must be subsidized, but it is most undesirable—nay more—impracticable, that the method of financing should involve a loss of its autonomy, that is, in supervision over the detail of its recurrent expenditure. It has been pointed out that the Government grant for the year 1954-55 comprised 64% of the University's total expenditure, a modest figure when compared with Malaya's 85%, and yet the quoted figure for Hong Kong has not taken into account that there was an "extra surplus", or better still an "under-expenditure", involved, due not to over-budgeting but to failure to recruit necessary staff for the year and, as the University Treasurer put it, "it reflects the failure of the University fully to achieve its aims."

It has been suggested that the University has graded some of the academic posts at a higher level than the number of students would warrant, but it is not the number of students that determines whether a Chair is necessary in preference to a Readership, or the latter instead of a Lecturer. It is the academic level and standard required to comply with a specified course of study that is the governing factor. In any event, I suggest with deference, the University is much more able than this Council to determine the proper grading of academic posts. Their ability to determine this is proved by the fact that the cost per student in the University of Hong Kong is less than the cost in any other United Kingdom or Commonwealth University. Meanwhile the University continues to maintain with difficulty high academic and professional standards with only 4/5ths of its established lecturing staff. It stands to its credit that the University has achieved so much in these circumstances, including recognition

of its Engineering Degree, which recognition is for a limited period, renewal depending on maintenance of proper standards and professional staffing. The position is not static: future retirements and possible resignations of present staff and failure to recruit sufficient new staff and replacements spell disaster. It is granted that all recruitment problems do not always arise from unsatisfactory salaries but these, nevertheless, remain a most important factor, together with the corollary that academic staff of high standing will not join a University of doubtful future. It is up to us to see that this does not happen.

We are now asked to provide funds to implement the Salaries and Wages increase which involve an estimated sum of \$1,000,000, of which about \$650,000 is for academic staff. It is the University's considered opinion that the salaries proposed in the report are the minimum which are required to maintain existing staff and to attract new staff of proper standing. Consider then the effect of the proposed amendment. I believe I am right when I say that all Unofficial Members are agreed that the 'Non-academic' increases are justified. It is with the 'academic' group that the dissension lies, and yet this is the section involved in recruitment. The University is asked to make-do with not more than \$700,000, in fact 70% of the total estimated figure. One might well ask at this stage: What has been the basis for arriving at this figure? . . . Is it an arbitrary one? . . . Or is it felt that \$300,000 will affect the educational programme? In this latter respect I cannot see the argument in favour, when the difference forms less than 1% of the figure involved as expenditure in the overall educational programme for the Colony; and it is really a flea-bite in our annual budgetary figure.

The University Council has accepted the Salaries report and will have to implement it. Even if one considered reducing or revising the scales: accepting the non-academic scales as warranted, reducing the figure needed by \$300,000 means a very substantial reduction in the proposed increases for the academic staff, a step neither reasonable nor justifiable, and certainly one the University cannot be expected to take. How then is the University to provide the difference? The only recurrent income which the University can vary is that derived from fees from students. Is the University to increase fees, when there are already some who, quite wrongly, call our University a rich

man's University? Or is it to curtail some necessary item or items of expenditure at the expense of standards and range of studies. The answer is "No". The season for advertisement of academic vacancies is close. Let's not have another year of 'extra surplus', and the landslide of contracting staff. Our University is in danger of dying. It is in our hands to administer the necessary transfusion. Let us do it before it is too late.

I oppose the amendment.

THE COLONIAL SECRETARY: — Your Excellency, in speaking on the amendment I should like to say first that I do fully understand and respect the views expressed by my honourable Friend Dr. Chau when supporting the amendment he has moved. I said in introducing the resolution that there was room here for a genuine difference of opinion and I think that has been amply reflected in the course of this debate. The arguments for and against the amendment have been fully put forward by the exponents of each point of view and I would not wish to take up the time of the Council in recapitulation of them. But I would like to underline two points made by Mr. Lo and Mr. Blaker, firstly that in making any comparison between the emoluments of Government Servants and the benefits of their employment and those of University staff it is necessary to take into account all the terms of service and not only salaries, and in this connexion the difference in superannuation benefits is quite a considerable one. When a Government officer is seconded to a different administration which becomes responsible for paying him since he is working for that other administration, it is customary for that administration to be charged a rate of twenty five percent of his pensionable emoluments as the appropriate contribution towards his ultimate pension when he retires. That can be compared with the ten percent contribution by the University towards the superannuation fund of the University staff. The second point I would like to underline is the difficulty which I see in making a direct comparison between the responsibilities and duties and, if I may so put it, the market value of University professors and individual civil servants. It does seem to me that the qualities required by each are so entirely different and if I might adduce an analogy it seems to me very like trying to compare the performance of an aeroplane and a railway train. (*Laughter*) The benefit of speed lies on one side and carrying capacity on the other, but I won't attempt to fit the analogy.

The arguments which have been put forward on behalf of the amendment have been very fully considered before it was decided to introduce this resolution and I regret therefore that the Government cannot accept the amendment.

H. E. THE GOVERNOR: —I will now call for a division. If the amendment is carried then it is the end of the matter. If the amendment is lost I will then put to the vote the original resolution moved by the Colonial Secretary.

A division was taken on the amendment. Dr. Chau Sik Nin, Mr. Ngan Shing-Kwan, Mr. Dhun Ruttonjee and Mr. Kwok Chan voted for the amendment. Mr. C. E. M. Terry, Mr. Lo Man Wai, Mr. C. Blaker, Dr. A. M. Rodrigues, the Commander British Forces, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Financial Secretary, Mr. T. L. Bowring, Mr. D. J. S. Crozier, Dr. Yeo Kok Cheang and Mr. D. R. Holmes voted against the amendment. The President abstained from voting. The President declared that 4 votes had been cast in favour of the amendment and 13 votes against it and that the amendment was therefore defeated.

The question on the substantive motion was then put and agreed to.

**SUPPLEMENTARY PROVISIONS FOR THE QUARTER
ENDED 30th SEPTEMBER, 1955.**

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved that the Supplementary Provisions for the quarter ended 30th September, 1955, as set out in Schedule No. 2 of 1955/56, be approved.

He said: Sir, by far the greater proportion of the total supplementary provision of almost \$4 million in the schedule is required as a result of the Government's new salaries scheme, that is for payment of arrears of salary under the general revision, and especially for the commitments arising from transfer of staff from daily to monthly rates. There are also a number of revotes of funds which lapsed at the close of the last financial year.

Among the lesser items there are one or two of interest. One is a vote of \$215,000 being the first expenditure on the proposed new Yaumati Community Centre. This money is required for the resumption of an area within the boundaries of the new centre.

It will be observed that the full deficit on the Festival of the Arts, which was held last year, amounting to \$11,869, has been met from public funds. Also included in the schedule is the sum of a quarter of a million dollars which represents Government's matching grant to the munificent donation of Messrs. Lawrence and Horace Kadoorie to the Kadoorie Agricultural Aid Loan Fund.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

URBAN COUNCIL (AMENDMENT) BILL, 1956.

THE COLONIAL SECRETARY moved the First reading of a Bill intituled "An Ordinance to amend the Urban Council Ordinance, 1955."

He said: It has been apparent for some time, Sir, that membership of the Urban Council entails a steadily increasing volume of work. This includes a considerable measure of responsibility in connexion with the Resettlement programme. Apart from the actual attendance at the monthly meetings of the Council, honourable Members will no doubt be surprised to learn that there are no less than 36 select committees of the Urban Council upon which some or other of both Official and Unofficial Members are called to serve. To add to this burden of work falling on those who are already busy men, it will be recalled that in April, 1954, an Ordinance was passed in this Council constituting a Housing Authority composed of the full membership of the Urban Council. While the Housing Authority does not have regular scheduled meetings, it does meet at frequent intervals and in its turn has ten select committees on which Members also serve. In addition, much time has to be spent in dealing with circulated papers on a variety of problems which are discussed in these forty-six committees before they ever reach the Council, or the Housing Authority.

In order to lighten this burden, in September last year a resolution was moved in the Urban Council recommending that the Unofficial membership of the Council should be raised from ten to sixteen. It was also proposed that this increase should be effected by providing for eight instead of the present four Elected Members and for eight instead of the present six members nominated by Your Excellency. Such a balanced increase in the proportionate representation of Elected Members accords with the Policy of Her Majesty's Government for a steady but gradual advance in the constitutional field and the Government has accordingly accepted these proposals which are embodied in the Bill now before Council.

There are two important provisions in this Bill to which I will draw attention. They have been included on the recommendations of a special sub-committee of the Urban Council which was appointed to examine and report on any consequential changes which might be required should the increase in membership of the Council be agreed. They are firstly that the term of office of both Appointed and Elected Members should be four years instead of the present two years; election of four Members and the appointment of four Members should take place in alternate years: and secondly that the opportunity has been taken to remove the proviso in Section 3(b) (ii) of the Urban Council Ordinance, 1955 that three of the Appointed Members should be of Chinese race. It is considered that statutory provisions as to a Member's race are inappropriate and that the public interest would be in no way damaged if Your Excellency were to be left with complete discretion as to the race of the Appointed Members. The overall effect of this Amending Bill is that one quarter of the total of Elected and Appointed Members of the Urban Council will be replaced every year.

It is intended that this Bill should come into operation on the 1st February this year, in time for the next Urban Council elections which are due to be held in March.

MR. D. R. HOLMES 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 vary the composition of the Urban Council by increasing the number of elected members and appointed members to eight of each and to increase the term of office of both elected members and appointed members from two years to four years.

2. Clause 3 increases the number of elected members and appointed members and removes the requirement that three of the appointed members shall be of Chinese race.

3. Clause 4 repeals and replaces section 4 and includes transitional provisions whereby in the elections to be held in 1956, four members may be elected to hold office until 1959 and two members to hold office until 1957 and whereby elections may be held for four members to hold office for four years in 1957 and in every alternate year thereafter.

4. Clause 5 repeals and replaces section 5 and includes transitional provisions whereby the Governor may appoint, in 1956, four members to hold office until 1960 and two members to hold office until 1958 and, in 1957, two members to hold office until 1958 and that the Governor, in 1958 and in every alternate year thereafter, may appoint four members to hold office for four years.

5. Clauses 6, 7 and 8 amend sections 18, 19 and 20 respectively to provide for the publication of a register in 1956 and in 1957 and thereafter in every alternate year.

6. Clause 10 amends section 51 to provide for a quorum of the Urban Council of seven, *i.e.* one-third of the total strength of the Council, in lieu of the present quorum of four.

7. Clauses 2 and 9 amend sections 2 and 25 respectively to substitute for the now inappropriate phrase "annual election" the new phrase "ordinary election".

GAMBLING (AMENDMENT) BILL, 1956.

THE COLONIAL SECRETARY moved the First reading of a Bill intituled "An Ordinance to amend the Gambling Ordinance, Chapter 148".

He said: Sir, it will be remembered that a Gambling (Amendment) Bill was read for a First time in this Council on 13th April, 1955. The object of that Bill was to prohibit the playing of mahjong, tin kau and card games in places where a fee, commission or other payment is charged. Subsequently at a meeting of the 28th September last year, I moved a resolution, which was carried, that the Bill be withdrawn on the grounds that the complete prohibition of these establishments would put a large number of persons out of work and that it should be possible to prevent the abuses which had arisen in these establishments by a system of control through licensing. The new Gambling (Amendment) Bill, 1956, is intended to provide the necessary control over these establishments.

The Bill was published in the *Gazette* for General information on the 2nd December last year. Since then representations have been received from the proprietors of mahjong schools that the permitted hours of opening should be from 5 in the morning to 2 the following morning instead of, as provided in the Bill, from mid-day to mid-night. These representations were considered by Government but rejected. To leave such establishments open for twenty-one hours out of the twenty-four would be quite contrary to the object of this legislation which is to bring them under proper control and to protect the public from abuses to which they are prone.

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: —

1. The object of this Bill is to provide for the control of the playing of mahjong, tin kau and card games in places where a fee, commission or other payment is charged. This is achieved by providing that any such place is a common gaming house, unless it is licensed.

2. Clause 4 introduces three new sections providing for the issue of licences by the Commissioner of Police, empowering police officers to enter licensed places and making it an offence to allow persons under eighteen years of age to be at a licensed place during hours of play.

3. Clause 7 contains the form of licence setting out the conditions to which the licence would be subject.

WATERWORKS (AMENDMENT) BILL, 1956.

MR. T. L. BOWRING moved the First reading of a Bill intituled "An Ordinance to amend the Waterworks Ordinance, Chapter 102".

He said: Sir, the purpose of this Bill is, I think, sufficiently explained in the statement of Objects and Reasons and there is nothing that I can usefully add.

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 definition "waterworks" in section 2 has been amended to set aside any doubt as to whether gathering grounds, reservoirs, dams, etc. taken over by Government before the enactment of the Waterworks Ordinance, Cap. 102, and presently used by the water authority are within the definition. Opportunity has also been taken to add a new subsection in order to vest the Director of Public Works with the power of delegation. (See clause 2).

2. Clause 3 amends section 9 in order to include works done for and on behalf of the water authority.

3. Clause 4 makes consequential amendment to section 17 in view of the creation of the District Court.

**HONG KONG SOCIETY FOR THE BLIND
INCORPORATION BILL, 1956.**

MR. C. E. M. TERRY moved the First reading of a Bill intituled "An Ordinance to provide for the incorporation of the members of The Hong Kong Society for the Blind."

He said: Sir, the Hong Kong Society for the Blind is the latest recruit to the ranks of the many voluntary societies who seek to alleviate in this Colony the lot of the poor, the sick and the suffering. It was inaugurated at a public meeting held in September last year and in order to fulfill its purpose to the best advantage it now seeks incorporation. The Bill follows the usual form of such incorporation bills and there is nothing more I can add to the Objects and Reasons other than to draw attention to a printer's error in the third of those Objects and Reasons.

MR. LO MAN WAI 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: —

1. The object of this Bill is to incorporate the members of The Hong Kong Society for the Blind.

2. The Hong Kong Society for the Blind has been in existence since September, 1955. The objects of The Hong Kong Society for the Blind are to prevent the incidence of blindness and to promote and foster the general welfare of the blind.

3. At present The Hong Kong Society for the Blind is not a corporate body and cannot, therefore, hold any property in its own name. Not being a corporate body it is handicapped in other ways in the carrying out of its functions.

ANNOUNCEMENT.

THE COLONIAL SECRETARY, by direction of His Excellency the Governor, announced the appointment of the Standing Law Committee for 1956.

He said: Sir, the following members have been appointed and have agreed to serve: —

The Honourable the Attorney General (*Chairman*)

The Honourable Lo Man Wai

The Honourable Dhun Ruttonjee

The Honourable C. Blaker

Dr. the Honourable A. M. Rodrigues

ADJOURNMENT.

H. E. THE GOVERNOR: —That concludes the business, gentlemen. When is it your pleasure that we should meet again?

THE ATTORNEY GENERAL: —I suggest this day fortnight, Sir.

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