

OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 8th December 1976

The Council met at half past two o'clock

PRESENT

HIS EXCELLENCY THE ACTING GOVERNOR (*PRESIDENT*)
SIR DENYS TUDOR EMIL ROBERTS, KBE, QC, JP
THE HONOURABLE THE FINANCIAL SECRETARY (*Acting*)
MR DAVID GREGORY JEAFFRESON, JP
THE HONOURABLE THE ATTORNEY GENERAL
MR JOHN WILLIAM DIXON HOBLEY, CMG, QC, JP
THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR DENIS CAMPBELL BRAY, CVO, JP
DR THE HONOURABLE GERALD HUGH CHOA, CBE, JP
DIRECTOR OF MEDICAL AND HEALTH SERVICES
THE HONOURABLE IAN MACDONALD LIGHTBODY, CMG, JP
SECRETARY FOR HOUSING
THE HONOURABLE LI FOOK-KOW, CMG, JP
SECRETARY FOR SOCIAL SERVICES
THE HONOURABLE DAVID AKERS-JONES, JP
SECRETARY FOR THE NEW TERRITORIES
THE HONOURABLE LEWIS MERVYN DAVIES, CMG, OBE, JP
SECRETARY FOR SECURITY
THE HONOURABLE DAVID WYLIE McDONALD, JP
DIRECTOR OF PUBLIC WORKS
THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, CMG, JP
DIRECTOR OF EDUCATION
THE HONOURABLE IAN ROBERT PRICE, CBE, TD, JP
COMMISSIONER FOR LABOUR
THE HONOURABLE ALAN JAMES SCOTT, JP
SECRETARY FOR THE CIVIL SERVICE
THE HONOURABLE EDWARD HEWITT NICHOLS, OBE, JP
DIRECTOR OF AGRICULTURE AND FISHERIES
THE HONOURABLE THOMAS LEE CHUN-YON, JP
DIRECTOR OF SOCIAL WELFARE
THE HONOURABLE DEREK JOHN CLAREMONT JONES, JP
SECRETARY FOR THE ENVIRONMENT
THE HONOURABLE DAVID RAYMOND BOY, JP
SOLICITOR GENERAL (*Acting*)
THE HONOURABLE WILLIAM DORWARD, JP
DIRECTOR OF COMMERCE AND INDUSTRY (*Acting*)
DR THE HONOURABLE CHUNG SZE-YUEN, CBE, JP
THE HONOURABLE OSWALD VICTOR CHEUNG, CBE, QC, JP
THE HONOURABLE ROGERIO HYNDMAN LOBO, OBE, JP
THE HONOURABLE JAMES WU MAN-HON, OBE, JP
THE HONOURABLE HILTON CHEONG-LEEN, OBE, JP
THE HONOURABLE LI FOOK-WO, OBE, JP
THE HONOURABLE JOHN HENRY BREMRIDGE, OBE, JP

DR THE HONOURABLE HARRY FANG SIN-YANG, OBE, JP
 THE HONOURABLE MRS KWAN KO SIU-WAH, OBE, JP
 THE HONOURABLE LO TAK-SHING, OBE, JP
 THE HONOURABLE FRANCIS YUAN-HAO TIEN, OBE, JP
 THE REV HONOURABLE JOYCE MARY BENNETT, JP
 THE HONOURABLE CHEN SHOU-LUM, JP
 THE HONOURABLE MISS LYDIA DUNN, JP
 DR THE HONOURABLE HENRY HU HUNG-LICK, OBE, JP
 THE HONOURABLE LEUNG TAT-SHING, JP
 THE REV THE HONOURABLE PATRICK TERENCE MCGOVERN, SJ, JP
 THE HONOURABLE PETER C. WONG, JP
 THE HONOURABLE WONG LAM, JP

ABSENT

THE HONOURABLE LEE QUO-WEI, OBE, JP
 THE HONOURABLE PETER GORDON WILLIAMS, OBE, JP
 THE HONOURABLE ALEX WU SHU-CHIH, OBE, JP

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
 MRS LOLLY TSE CHIU YUEN-CHU

Papers

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

	<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation:		
Public Health and Urban Services Ordinance.		
	Ventilation of Scheduled Premises (New Territories) Regulations 1976.....	287
Air Navigation (Overseas Territories) Order 1976.		
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Commodities Trading Ordinance 1976.		
	Commodities Trading Ordinance 1976 (Commencement) (No 3) Notice 1976	290
Factories and Industrial Undertakings Ordinance.		
	Factories and Industrial Undertakings (Dry Batteries) Regulations 1976 (Commencement) Notice 1976	291

<i>Subject</i>	<i>LN No</i>
Road Traffic (Parking and Waiting) Regulations.	
Exclusion of Parking Spaces from Designated Car Parks	292-293
Metrication Ordinance 1976.	
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Hong Kong Airport (Regulations) Ordinance.	
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Securities Ordinance.	
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Road Traffic (Parking and Waiting) Regulations.	
Temporary closure of car park.....	297
Supreme Court Ordinance.	
Rules of the Supreme Court (Amendment) (No 3) Rules 1976	298

Sessional Papers 1976-77:

- No 16—Annual Report of the Hong Kong Productivity Council for the year 1975-76
(published on 8.12.76).
- No 17—Annual Report of the Fish Marketing Organization for the year 1975-76
(published on 8.12.76).
- No 18—Annual Report of the Vegetable Marketing Organization for the year 1975-76
(published on 8.12.76).

Oral answers to questions

Post Offices—collection of registered mail

1. MR LEUNG asked:—

- Sir, (a) Does Government consider the procedures, particularly the requirement of producing numerous identifications before registered mails and parcels can be collected from Post Offices, cumbersome?
- (b) If so, will Government consider simplifying such procedures?

Oral answers

THE FINANCIAL SECRETARY:—Sir, the Postmaster General has a basic obligation to make special security arrangements for the despatch of items sent by "registered mail". The essential characteristic of such arrangements is that throughout the time a registered item is in his custody, its transfer at all stages is only done against signature. These precautions are taken to ensure delivery of registered items to the addressees.

So as the final step in the process, the Postmaster General must require proof of identity from those seeking to collect registered letters and parcels from Post Offices. All that is required is for addressees to produce notifications from the Post Office that registered items await collection and for them to produce identity cards. In place of identity cards, the Postmaster General also accepts passports, Government passcards, driving licences or Force's paybooks. If addressees send agents to collect registered items on their behalf, the agents must produce the same documents plus letters of authorisation and the agents' own identity cards.

The present system for the collection of registered postal items appears to be well understood by the public. I do not see how it might be simplified while still allowing the Postmaster General to meet his obligations to those who are prepared to pay to use the registered post for the extra security that it provides.

Martial arts schools

2. MR CHEONG-LEEN asked:—

Sir, will Government state whether or not it proposes to introduce legislation to regulate martial arts schools?

SECRETARY FOR SECURITY:—Yes, Sir. Legislation is being drafted. I should add that officials concerned in the preparation of the drafting instructions are alive to the desirability of achieving a balance between two aspects. One, there is a need to prevent the running and organization of, and the training in, such schools being in the hands of undesirable elements. On the other we want to encourage the healthy recreational side of these popular and traditional activities.

MR CHEONG-LEEN:—Will my honourable Friend anticipate that such legislation could be introduced in the current session?

SECRETARY FOR SECURITY:—I do anticipate that, but the best made plans sometimes get delayed.

MR CHEONG-LEEN:—Thank you.

Public housing—rental

3. DR HU asked:—

Sir, will Government give an assurance that people who are to be resettled will be given appropriate public housing units at rentals they can afford?

SECRETARY FOR HOUSING:—Sir, the Housing Authority controls a very wide range of public housing and this allows it to respond to individual needs on a far more flexible basis than ever before. Those who feel they cannot afford the rents in the newest estates can be offered accommodation in the old estates at rents within the means of all; this is made possible by the voluntary departure from old estates of overcrowded families who want, and can well afford, the much higher standard of housing offered in the newest estates.

A few families will of course have difficulty in paying even the lowest rents and for them the monthly rent payments are covered by the public assistance scheme.

Reservoirs for boating

4. MR BREMRIDGE asked:—

What progress has Government made in the last year towards implementing its promises about making some reservoirs available for boating or other recreational purposes?

SECRETARY FOR HOME AFFAIRS:—Sir, when I said in this Council in April this year that it was Government's intention to experiment with the use of the Wong Nai Chung Reservoir for boating, I was under the impression that the land could be made available to the Agriculture and Fisheries Department for development as part of a recreation area. However, it turns out that the land around this reservoir, including the water area, has already been allocated to the Urban Council and this was done in 1973. The Urban Council is also now keen to develop this reservoir for boating. In view of this, Government has decided to let the Urban Council get on with providing this recreational facility.

[SECRETARY FOR HOME AFFAIRS] **Oral answers**

An evaluation is being made of the necessary safeguards and controls (including possibly legislation) which would need to be introduced to cover such recreational activities. This evaluation will take into consideration the legal and management aspects and will involve other Government departments. Hence while it is not possible yet to permit boating on any particular reservoir—nor desirable in the absence of proper controls—progress is being made with a view to allowing boating on reservoirs and I may say that this my honourable Friend's question has stimulated it.

In this connection, the intention was for Wong Nai Chung Reservoir to be disconnected from the water supply system, to permit boating on an experimental basis, prior to consideration being given to the provision of similar facilities at Tai Lam and the Tai Tam Tuk. It is hoped that some experience will accrue from the use of the reservoir in this Summer, although the absence of such experience will not delay consideration of the provision of similar facilities at Tai Tam Tuk and Tai Lam Chung.

Public housing—applicants waiting period (1)

5. MR WONG LAM asked:—

Sir, how long does an eligible applicant normally have to wait before he is allocated a public housing unit?

SECRETARY FOR HOUSING:—Sir, the average waiting period for applicants on the Housing Authority's waiting list is five years. Applicants who choose new estates in outlying districts will be made an offer much sooner than those who apply for Kowloon or Hong Kong Island which are much, of course, in demand.

Public housing—applicants waiting period (2)

6. MR WONG LAM asked:—

Could the Government give a breakdown of the number of applicants for public housing who have already waited for more than (i) five years and (ii) ten years?

SECRETARY FOR HOUSING:—Sir, almost 10,000 out of the total of about 110,000 families on the Housing Authority's waiting list have been registered for more than 5 years and are still waiting for public housing.

No one has been registered for public housing for more than ten years.

Public housing—priority of applicants

7. MR WONG LAM asked:—

Under normal circumstances how does the Government determine the priorities of applicants for public housing?

SECRETARY FOR HOUSING:—Sir, all applicants for public housing are registered on a waiting list and given a registration number. As public housing becomes available offers are made strictly in number sequence to those who have expressed a preference for the district in question.

Bus stop shelters

8. MR LO asked:—

Sir, will Government consider erecting reasonably sheltered bus-stops in outlying districts where any shelter is far away from such bus-stops?

SECRETARY FOR THE ENVIRONMENT:—Sir, the Government, acting in consultation with the bus companies, has drawn up a scheme to provide more shelters at bus stops, particularly in remote and unprotected areas. The aim is roughly to treble the number of shelters in the rural areas where, at the present time, less than a tenth of the stops are provided with this amenity.

As of now, 33 shelters are being built, that is six on Hong Kong Island, 12 in Kowloon and 15 in the New Territories. Suggestions have been made for some 117 additional shelters in the New Territories alone and these are being evaluated by the Commissioner for Transport.

I should add, Sir, that the franchises granted under the Public Omnibus Services Ordinance requires the bus companies to pay for the shelters, although the actual construction is normally undertaken by the Government on a reimbursement basis. The companies are, however, now allowed to let space in the shelters for commercial advertising and this should help to defray their costs.

DR HU:—Sir, may I ask you a supplementary question? "In the New Territories"—does that include off-shore islands?

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir. I think that would probably include Lantau.

Oral answers**School curricula**

9. Miss KO asked:—

Will Government state—

- (a) the extent to which courses concerning civic con-sciousness and public affairs are included in school curricula;
- (b) whether these courses are compulsory in primary and secondary schools?

MR TOPLEY:—Sir, I consider that the development of civic con-sciousness together with the cultivation of informed opinion on public affairs is an extremely important aim of the school curriculum.

At the primary level the subject, Social Studies, which occupies 2-3 periods per week is aimed specifically at developing the pupil's sense of responsibility to the society in which he lives.

At the junior secondary level the great majority of schools study Economics and Public Affairs or the new subject—Social Studies—both of which are again primarily concerned with civic matters.

At both these levels the curriculum is supported by ETV programmes stressing civic consciousness. In other subjects, particularly languages and Health Education, frequent reference is also made to civic responsibilities.

At the Form IV and V level more than 40% of students take Economics and Public Affairs as an examination subject and this subject is also available in the VIth Form Examinations of both Universities.

The curriculum in schools in Hong Kong is not compulsory but the great majority of schools follow the recommended syllabuses.

MISS BENNETT:—Sir, may I ask a supplementary question regarding the test books that are advised for these subjects and whether or not there are such text books in Chinese?

MR TOPLEY:—Sir, I do not have the information that the honourable Member seeks at this moment and I will give her a written answer as soon as I can.

MR CHEONG-LEEN:—Sir, does the Education Department regard "Tak Yuk" (德育), moral education, as part of civic consciousness, or is regarded as complementary to civic consciousness, and to what extent it is so regarded?

MR TOPLEY:—Sir, reluctant as I am to hide behind my lack of knowledge, I think that the question of the relationship of "Tak Yuk" (德育) to civic consciousness is something that requires further consideration and not a hurried answer in this Chamber this afternoon.

Labour legislations

10. MR LO asked:—

Sir, will Government fully disclose its complete policy on labour legislation applicable to the next 5 years?

MR PRICE:—Sir, the Government's policy on labour legislation was described by the Governor in his Address on 6 October in the following terms:—

"Your Government has concluded that we should set ourselves the target of achieving a level of legislation governing safety, health and conditions of employment at least broadly equivalent to the best in our neighbouring countries whose stage of economic development and social and cultural background are similar to our own, which in effect means our principal Asian competitors, excluding Japan."

MR LO:—Sir, is this the complete policy applicable in the next five years?

MR PRICE:—Sir, that is the present policy.

MISS DUNN:—Sir, will Government give details of the further four ILO conventions that Hong Kong would be entering into, as announced by the Prime Minister on 2nd December?

MR PRICE:—I should be happy to do so if the question is put at a later stage; that does not arise out of the first question.

MR LO:—Has this policy been approved by the Executive Council?

MR PRICE:—Sir, I was not present at any discussion and therefore I cannot answer that question from personal knowledge.

Oral answers

MR LO:—Is labour policy not a subject matter for approval by the Governor in Council, Sir?

MR PRICE:—Individual items of legislation are presented to the Executive Council for approval, other than regulations made under the Factories and Industrial Undertakings Ordinance.

MR LO:—So, individual items are put before the Executive Council but it does not know the general picture.

HIS EXCELLENCY THE PRESIDENT:—What was your question, Mr LO?

MR LO:—When individual items are brought before the Executive Council, is this done on an individual basis, without any approved general policy?

HIS EXCELLENCY THE PRESIDENT:—I don't see how Mr PRICE can conceivably answer that question, not being a Member of the Executive Council, Mr LO.

MR LO:—Have the items referred to by Mr CALLAGHAN in his answer given to the House of Commons on labour legislation been approved by the Executive Council?

HIS EXCELLENCY THE PRESIDENT:—Mr LO, how does this arise out of your previous question?

MR LO:—The original question is on Government's policy relating to labour legislation. I would like to ask whether the announcements made by Mr CALLAGHAN on labour legislations is part of that policy. In his answer, the Commissioner for Labour said that the policy has not received approval of the Executive Council but individual items do get Executive Council approval.

HIS EXCELLENCY THE PRESIDENT:—That wasn't his answer. He said he did not know whether the general policy has been approved, Mr LO.

MR LO:—I am sorry, Sir. I thought he said that individual proposals for individual legislation are brought before the Council.

HIS EXCELLENCY THE PRESIDENT:—Have you provided Mr PRICE with a copy of Mr CALLAGHAN'S remarks?

MR LO:—I haven't. I am afraid I made the assumption that he had seen them.

MR PRICE:—The only remarks by Mr CALLAGHAN that I have seen relate to International Labour Conventions and progress in that field and, as I have stated earlier, Sir, that is another question.

MR LO:—Is that not part of the general policy on labour legislation, Sir?

MR PRICE:—That question is based on the false assumption that it is always necessary to legislate in order to make progress in ILO conventions.

MR CHEONG-LEEN:—Sir, has any time scale, either specifically, generally or approximately, been decided upon in arriving at the target described by my honourable Friend in his reply?

MR PRICE:—Yes, Sir. Five years.

MR LO:—I am sorry, Sir. I do have one more question in view of the confusion that has arisen. Will Government set out for this Council as soon as possible the legislation necessary, governing safety, health and conditions of employment, to bring Hong Kong up to the level of the legislation in our Asian competitive countries, referred to in his answer?

MR PRICE:—Sir, Government has already made available to the UMELCO Office a very detailed document which sets out the information my honourable Friend has asked for.

MR LO:—Thank you.

Civil servants—housing loan scheme

11. MR LEUNG asked:—

Has Government plans to re-introduce further housing loan schemes for civil servants?

Oral answers

SECRETARY FOR THE CIVIL SERVICE:—Sir, in reply to Question No 17 on 24th November last, I said that we have under active consideration possible methods of assisting civil servants who do not qualify either for the allocation of public housing or other forms of assistance. Housing loan schemes are among the methods under consideration.

Public light bus—prescribed stops

12. MR CHEN asked:—

- Sir, (a) Does the Government agree that unnecessary traffic congestion and accidents are created by the irregular and spontaneous stopping of mini-buses when picking up and dropping off passengers?
(b) If so, will Government provide fixed stopping places for minibuses?

SECRETARY FOR THE ENVIRONMENT:—Sir, one of the main attractions of mini-buses to the travelling public is that they can stop on demand to pick up or let down passengers. To make it mandatory for them to stop only at fixed stopping places would not only remove this attraction and reduce the flexibility of their services, but would also be unnecessary in many areas.

The Government does however agree, that the irregular stopping of public light buses in heavy traffic does contribute to congestion, and probably to accidents, particularly in the main commuter corridors during peak hours. For this and other reasons, clearways are being introduced on selected routes on which the stopping and parking of vehicles will be limited to off-peak periods. Public light bus stands are being provided in these areas, either on adjacent side streets or, where possible, off-street, to facilitate the picking up and setting down of passengers. These arrangements should help to relieve congestion where it is most acute and should reduce accidents.

MR CHEN:—Sir, I would have thought that the least is to have some measure of control of the mini-buses stopping in front of and after the major traffic junctions.

SECRETARY FOR THE ENVIRONMENT:—Sir, if it is a major traffic junction it would normally come under the clearway schemes; as I have said these are mostly on the main commuter corridors where the congestion is most acute.

MR CHEN:—Sir, I have found places such as the junctions of Yee Wo Street and Percival Street where the mini-buses stop where they like and when they like right in that particular traffic junctions.

HIS EXCELLENCY THE PRESIDENT:—Mr CHEN, would you rephrase this as a question?

MR CHEN:—Yes, my question remains that do we need at least some measure of control on major traffic junctions?

SECRETARY FOR THE ENVIRONMENT:—Sir, I think I answered that last time. I said that normally major traffic junctions are restricted during peak hours. The particular place my honourable Friend mentioned earlier I will look into and I will be in touch with him about what is being done in that particular area.

REV JOYCE BENNETT:—Could my honourable Friend explain how he is going to control the stopping of the public light buses on the clearways?

SECRETARY FOR THE ENVIRONMENT:—Sir, this is a matter for the Traffic Police.

Strength of Hong Kong Dollars—effect on exports

13. DR CHUNG asked:—

Is Government aware of the adverse effect on domestic exports arising from the growing strength of the Hong Kong dollar vis-a-vis the US dollar?

THE FINANCIAL SECRETARY:—Sir, the Government appreciates that those exporters who neither allowed for a possible appreciation of the Hong Kong dollar in their export prices nor sold their foreign currency earnings forward, will have received a return lower than they expected.

But the Government has no evidence of the substantial underutilisation of capacity that one might expect were the Hong Kong dollar over-valued. Indeed, in the first nine months of this year, the volume of exports was 33% higher and export prices in Hong Kong dollars 11% higher than in the same period last year.

Oral answers**Hong Kong Dollars**

14. DR CHUNG asked:—

Sir, has Government any plans to prevent further appreciation of the Hong Kong dollar?

THE FINANCIAL SECRETARY:—Sir, as has been stated in the past, given Hong Kong's dependence on external transactions, the Government's policy is not to intervene in the foreign exchange market except to offset movements in the foreign exchange value of the Hong Kong dollar judged to be wayward or erratic.

MR CHEONG-LEEN:—Sir, would my honourable Friend explain what, in the circumstances, could be the factors leading the Hong Kong dollars to be wayward or erratic?

THE FINANCIAL SECRETARY:—Sir, it is the policy of this Government, indeed for all governments in similar situation, to refrain from commenting on the current and prospective intervention in the foreign exchange market. As to do so would simply play into the hands of speculators. It follows that it would be unwise for me to indicate what I would regard as erratic or wayward movement. (*laughter*)

MTR—Extension to Tsuen Wan

15. MR TIEN asked:—

Sir, bearing in mind that the heavy engineering equipment brought specially into Hong Kong for the construction of the MTR will be removed once the civil engineering contracts for the Modified Initial System have been completed, will Government state when a decision will be made on the proposed extension of the system to the rapidly growing township at Tsuen Wan?

SECRETARY FOR THE ENVIRONMENT:—Sir, the Government and the Mass Transit Railway Corporation are agreed that, should the Modified Initial System of the Mass Transit Railway be extended, the next extension is likely to be towards Tsuen Wan. They are also agreed that, provided such an extension is found to be feasible and the economic climate at the time is favourable, a decision to go ahead should be taken, and contracts let, before the heavy engineering equipment being used on the present works is removed from Hong Kong.

To this end, the Corporation has recently started to examine in detail the priorities for extensions in the Tsuen Wan, Kwun Tong and Hong Kong Island corridors. It has also begun detailed investigations of a line running from Prince Edward Station to Tsuen Wan West. The investigations will cover such matters as alignments, design parameters, costings, revenue forecasts and possible financing arrangements.

The Government, for its part, has also set up a study group to examine and recommend what action the Government will need to take to facilitate the construction of proposed extensions, should they be proceeded with, as well as, later, to evaluate the results of the Corporation's investigations. The Corporation hopes to complete its studies in another four or five months and a firm decision, one way or the other, can be expected some time in the summer of next year.

Bilateral textile restraint agreement

16. MR TIEN asked:—

Will Government make a statement on the status of the bilateral textile restraint agreements between Canada and Hong Kong?

MR DORWARD:—Sir, I regret that I have little to add to the public statements I have already made on this subject. I received on 1st December of this year 1976 a communication from the Commission for Canada at Hong Kong which conveyed a statement from the Canadian authorities concerning certain global restrictions they had imposed on most clothing imports as from 29th November 1976.

In this communication the Canadian authorities also stated that the action taken and I called "superseded" the bilateral agreements which existed between Canada and Hong Kong in regard to three product categories, namely shirts, sweaters and certain outerwear.

Following consultation with the Textiles Advisory Board, I communicated a reply to the Canadian authorities on 2nd December expressing our grave concern at the suggestion that such agreements could be unilaterally set aside during their currency. Our concern stems not merely from the damage which can be done to trade in the items concerned due to uncertainties and the possible frustration of contracts entered into in good faith as a result of the bilateral agreements. We are also most perturbed at the implications such action could have for the negotiation of any future bilateral agreements.

[MR DORWARD] **Oral answers**

For our part, Sir, we still feel ourselves bound by the provisions of the agreements in question and intend to continue to act accordingly. We have sought assurance from the Canadian authorities that they share this intent. As of this date, Sir, a reply is still awaited.

MR TIEN:—Sir, does the Government agree that the breaking of a bilateral agreement by one of our trading partners, if not successfully challenged, can do considerable damage to business confidence and create an intolerable situation.

MR DORWARD:—Yes, Sir.

Restriction of imports to Canada

17. MISS DUNN asked:—

- Sir, (a) Is the recent imposition of global quotas by Canada on all clothing imports permissible under the General Agreement of Tariffs and Trade?
and (b) If so, what is the value of bilateral restraint agreements negotiated under the Multi-Fibre Arrangement?

MR DORWARD:—Sir, I am grateful to my honourable Friend Miss DUNN for her very pertinent questions which gives me an opportunity to try at least to clarify a subject which has recently been a matter of much concern and some confusion.

The question falls into two parts. First, is the Canadian action permissible under the General Agreement on Tariffs and Trade? The answer to that is that there is provision, in Article XIX of the GATT, for action of this nature. Whether or not the Canadian action is justified under that provision is not something which I feel competent to express an opinion at this moment on with the data to hand. It is predictable, however, that the action will shortly be the subject of close scrutiny by the Contracting Parties to the GATT to examine its appropriateness. It has in fact already been the subject of much debate in the GATT Textiles Committee which is concluding its annual meeting in Geneva this week and, while I cannot reveal publicly the positions adopted in that closed body, I can say that Hong Kong, with much strong support, has been highly critical of the particular actions which were the subject of the question which I have just answered from my honourable Friend Mr TIEN.

The second part of my honourable Friend's question asks what is the value of bilateral restraint agreements negotiated under the so-called Multi-Fibre Arrangement if such GATT action as has recently been taken by Canada is permissible? The answer to this is somewhat more complicated. It is the view of the Hong Kong Government that parties to that Arrangement should exhaust all its possibilities for solving problems of trade in textiles before having recourse to the safeguard provisions in the GATT or to such other measures not prohibited by the GATT. And of course, it goes without saying, that agreements once reached under the Multi-Fibre Arrangement should be respected by both parties.

I think I should note that in the history of the Multi-Fibre Arrangement, and indeed in the history of textile restraints going back nearly twenty years, this is the only occasion on which a participating country has claimed that the exercise of its GATT rights allows it unilaterally and without consultation to supersede current bilateral textile agreements. It should therefore, I suggest, be regarded as an isolated deviation from normal practice; and, while I understand and share the concern implicit in my honourable Friend's question over the dangers of precedent, there is little in our long experience of bilateral textile agreements which would lead us to expect it to be followed by others.

MISS DUNN:—Will Government consider making representations to the Canadian Government to allow contracts covered by letters of credit established prior to the new restrictions to go forward outside the quota?

MR DORWARD:—Sir, the announcement by the Canadian Authorities made it clear that goods which were shipped prior to the announcement of the new arrangements would be admitted ex quota. As regards the suggestion by my honourable Friend Miss DUNN that we seek the agreement of the Canadian Authorities to allowing in ex quota goods against confirmed letters of credit, this is certainly a point which could be taken up with them once their response to our formal note to them is known, and I will certainly take note of it, Sir.

Multi-storey car parks for commercial vehicles

18. MR CHEONG-LEEN asked:—

Will Government consider building multi-storey car parks specially for commercial vehicles so as to reduce on-street parking of such vehicles in congested locations?

Oral answers

SECRETARY FOR THE ENVIRONMENT:—Sir, there is certainly a need for more goods vehicles to be parked off-street and I agree with my honourable Friend that the provision of multi-storey lorry parks, which could be strategically situated, would be one way to achieve this. The engineering requirements for these parks do, however, make them very expensive and each parking space in them would cost as much as three times the cost of a space in a multi-storey car park. To cover costs the charges levied would need to be correspondingly high and, at that price, very few lorry owners would want to use such facilities. To force them to do so would not only be extremely unpopular but would be most difficult to enforce.

Nevertheless, despite the difficulties involved, the idea is being further examined to see whether it might prove to be practicable. In the meantime, two temporary open air lorry parks, at Ho Man Tin and at the Wan Chai reclamation, which are more suitable for this type of vehicle, have been opened this year, and sites for other commercial vehicle parks are being sought.

My honourable Friend will doubtless be aware that commercial vehicles of two tons and under are already permitted to use multi-storey car parks, but that very few of them do so.

MR CHEONG-LEEN:—Can I have assurance, Sir, that this item will be pursued particularly for those areas in Hong Kong and Kowloon which are surfeit with lorries?

SECRETARY FOR THE ENVIRONMENT:—Sir, as I have said we are looking into the possibility of other areas for temporary open area lorry parks. This is the way we think we ought to go. The study of the question of multi-storey lorry parks, as I said, is more complicated and I think it will take a little more time to solve.

No fault motor insurance scheme

19. MR PETER C. WONG asked:—

What is the present position in respect of a proposed no fault motor insurance scheme?

SECRETARY FOR THE ENVIRONMENT:—Sir, the Working Party on Traffic Accident Victims has now prepared a further package of proposals and a submission will be made to Executive Council early in the New Year.

DR CHUNG:—Sir, will my honourable Friend inform this Council how long this working party has been working on this project?

SECRETARY FOR THE ENVIRONMENT:—Sir, if you take the whole time the working party has been going, under I believe the chairmanship of three Commissioners for Transport, it is about five years. The particular consideration which the working party has been looking at this last time round have probably taken about three or four months to do this.

Ocean Park

20. DR HU asked:—

Will Government state, in regard to the grant by private treaty at nil premium of the land for Ocean Park, whether any condition was imposed as to the level of fees and charges for this public amenity?

SECRETARY FOR THE ENVIRONMENT:—Sir, no specific condition governing fees and charges was laid down in the private treaty grant of land to Ocean Park Limited. But the Company is required under the conditions of grant to operate an oceanarium and park on a nonprofit-making basis.

DR CHUNG:—Sir, despite the company is operating on a nonprofit-making basis, does Government has any power to ensure the company is being run efficiently and not over luxuriously so as to keep the fees and charges down to a reasonable level within the reach of the mass of the Hong Kong residents.

SECRETARY FOR THE ENVIRONMENT:—Sir, the Governor has personally appointed a director to the board of the company, and it is the duty of this director to study the public interest in this matter.

Statement

Annual Report of the Hong Kong Productivity Council for the year 1975-76

DR CHUNG:—Your Excellency, among the various papers laid on the table of this Council today is the Annual Report of the Hong Kong Productivity Council for the financial year ended 31st March 1976.

[DR CHUNG] Statement

The fiscal year under review saw a gradual upturn in the world economy. As the manufacturing industry in Hong Kong demonstrated once again its resilience in responding swiftly to improved opportunities in international trade, there was rising demand for technical support from the Productivity Centre to upgrade product quality, increase production output and reduce manufacturing cost. As a result of this greater demand, the Productivity Centre expanded its scale of activities and, at the same time, continued with its policy of gradually shifting the emphasis to technology in both areas of technical assistance and training for small and medium scale industries.

During the financial year 1975-76, the Productivity Centre conducted training courses for 6,763 persons as compared to 6,620 in 1974-75 and undertook 122 consultant and technology projects as against 102 a year ago. A number of these projects were associated with the establishment of high technology industries in Hong Kong.

As part of its technology services, the Productivity Centre during the year held five industrial exhibitions covering (1) Air-conditioning and Refrigeration Equipment, (2) Building Materials and Equipment, (3) Clothing Manufacturing Equipment, (4) Metal Finishing and (5) Plastic Materials and Machinery.

Among the various survey and research projects completed and published during the year, two of them deserve specific mention. The first is the Report on Salary Trends and Fringe Benefits in Commerce and Industry providing up-to-date information on remuneration in respect of administrative, professional, technical and operative personnel. The second is the Directory of Hong Kong Industries providing a detailed reference to more than 4,000 manufacturing establishments of over 20 employees classified by sectors of industry.

I wish to pay a tribute to Mr W. H. NEWTON, the Centre's first Executive Director, who has returned to Australia after 9 years of dedicated and outstanding service with the Productivity Council. Under his capable management, the Productivity Centre was established in 1967 and subsequently has grown significantly.

I would also like to take this opportunity to welcome Dr J. C. WRIGHT as the Centre's new Executive Director and to wish him every success.

Government business**Motion****FACTORIES AND INDUSTRIAL UNDERTAKINGS
ORDINANCE**

MR PRICE moved the following motion:—

That the Factories and Industrial Undertakings (Amendment) (No 3) Regulations 1976, made by the Commissioner for Labour on 25th November 1976, be approved.

He said:—Sir, I move the motion standing in my name on the Order Paper for the approval of the Factories and Industrial Undertakings (Amendment) (No 3) Regulations 1976, which I made on 25th November and which were subsequently presented to Your Excellency for approval in accordance with section 7(3) of the principal ordinance.

The purpose of these amendment regulations is to reduce gradually over three years, and eventually abolish, the maximum permissible hours of overtime for young persons aged 16 and 17 employed in industrial undertakings, as defined in the principal ordinance. The reductions are—

- (i) From 200 to 150 hours a year from 1st January 1977;
- (ii) From 150 to 100 hours a year from 1st January 1978;
- (iii) From 100 to 50 hours a year from 1st January 1979; and
- (iv) From 50 hours a year to nil from 1st January 1980.

Thus from 1st January 1980 those aged 16 and 17 will be subject to the same overtime restrictions as those aged 14 and 15.

It is clear some employers wrongly believe that these regulations affect also adult women over 18 in industrial employment. I take this opportunity of confirming that they do not. This misunderstanding may have arisen because the drafting of the amendment regulations requires a restatement of the existing arrangements regarding the overtime restrictions on women (namely not more than two hundred hours in any year or two hours in any day). This restatement is necessary because the restrictions on overtime for women and young persons are now stated together in one sentence in each of the provisos to paragraph (1) and paragraph (9) of regulation 11 of the principal regulations. If these amendment regulations are approved these two

[MR PRICE] Motion

provisos will each be split into two parts to state separately the maximum overtime for women and for young persons.

This restatement of the existing arrangements regarding women's overtime makes clear that the Government has no current plans to alter these limits in any way.

The abolition of overtime for young people has been discussed by the Labour Advisory Board on a number of occasions. On 30th May 1974, members of the Board unanimously accepted the principle of the abolition of overtime for young persons. On 18th September 1975, the Board agreed to the phased programme for the reduction and eventual abolition of overtime, which I have earlier outlined. The Government agrees with the Board's view that such a programme would have the minimum effect on industry and on the earnings of young persons.

I should emphasize that the Government's intention to abolish overtime for young persons is based not on economic, but on social considerations which are held to be overriding in this case. Surely no one can fail to agree that an eight-hour day and a 48-hour week are arduous enough for those aged 16 and 17, without additional overtime? Competitiveness, and cheapness of production, should not be achieved at the expense of the wear and tear—so seldom mentioned—on the bodies of young people. Workers aged 16 and 17 are at an important stage of their physical, mental and social development. They should be permitted adequate leisure to develop their personalities by further studies, sport, recreation and other interests. In other words, they need leisure in order to live. Employers who deny these aspirations of Hong Kong's increasingly sophisticated young workers run the risk of being unable to recruit sufficient numbers to meet their requirements. Unless and until employers of blue-collar workers offer conditions of employment comparable to those of white-collar workers, their industrial vacancies will not be readily, or happily, filled. I believe that the requirement by employers for irregular and intermittent overtime has in the past discouraged many young people from entering industrial employment.

The economic effects of the phased programme for the abolition of overtime on the young people affected will be minimal. The reduction in earnings would be only 3%—4% of the total annual take home

pay—and present indications are that normal wage increases would more than compensate for this small reduction.

Further, from a survey conducted by the Labour Department, it is evident that economic effects on industry of each annual reduction of 50 hours would be marginal. Figures for 1975 show that the total number of hours of overtime worked by young persons in that year amounted to only 0.16% of all their industrial man hours worked. It has been argued by some employers' associations that calculations based on 1975, being a year of recession are not really pertinent. But this argument overlooks that the present economic recovery has probably led to an increase in the hours of overtime worked, and has markedly increased the total number of industrial employees. Hence the number of man hours worked on overtime by young persons — as a percentage of total man hours worked in industry—remains minimal. The reduction in overtime may lead to additional overtime being worked by other workers: it may also involve the employment of additional young people, thus increasing the overall wage. These consequences are recognised and accepted by the Government which, as I have said earlier, considers the social grounds to be overriding.

During a debate in this Council on 18th December 1974 one honourable Member said—

"the health and well being of ... young people must always be in the forefront of Government policy"*

Yet another honourable Member said—

"From the point of view of enlightened social policy overtime for young persons should be abolished at the earliest practicable date"†

I am grateful for this past support in principle from honourable Members and look forward to receiving the same support for these regulations which give effect to that principle.

Sir, because I understand that Unofficial Members would like more time to consider these regulations, I move that the debate on this motion be adjourned to the next sitting of this Council.

Question put and agreed to.

* Hansard 74-75 page 292.

† Hansard 74-75 page 293.

First reading of bills

COMMODITIES TRADING (AMENDMENT) BILL 1976
SUPPLEMENTARY APPROPRIATION (1975-76) BILL 1976
COMPANIES (AMENDMENT) (NO 2) BILL 1976
LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) (NO 2) BILL
1976
DETENTION CENTRES (AMENDMENT) BILL 1976
PENSIONS (INCREASE) (AMENDMENT) BILL 1976
DUTIABLE COMMODITIES (AMENDMENT) (NO 2) BILL 1976

Second reading of bills**COMMODITIES TRADING (AMENDMENT) BILL 1976**

THE FINANCIAL SECRETARY moved the second reading of:—"A bill to amend the Commodities Trading Ordinance 1976."

He said:—Sir, section 4 of the Commodities Trading Ordinance 1976 provides that members of the Securities Commission shall also be members of the Commodities Trading Commission. The Government now feels this provision is too restrictive. While it is desirable to have some degree of common membership between the two bodies, their composition need not be identical.

So the bill repeals section 4 of the Commodities Trading Ordinance and replaces it with provision for the appointment of members directly to the Commodities Trading Commission.

Motion made. That the debate on the second reading of the bill be adjourned—THE FINANCIAL SECRETARY.

Question put and agreed to.

SUPPLEMENTARY APPROPRIATION (1975-76) BILL 1976

THE FINANCIAL SECRETARY moved the second reading of:—"A bill to approve a supplementary appropriation to the service of the financial year which ended on 31st March 1976."

He said:—Sir, this bill seeks to give final legislative authority to the supplementary expenditure authorized by Resolutions of this Council, and is the last stage in disposing of expenditure incurred during the financial year 1975-76.

The original estimates were given legislative form in the Appropriation Ordinance 1975, which authorized a specific sum under each Head of Expenditure. It is necessary now to legislate further in respect of those heads of expenditure where the net effect of supplementary provision and of underspending has resulted in an excess over the original sum authorized in the Appropriation Ordinance 1975. The total supplementary expenditure requiring this further legislative authority is nearly \$124 million under 24 heads. It is more than offset by savings of \$707 million under other heads.

Motion made. That the debate on the second reading of the bill be adjourned—THE FINANCIAL SECRETARY.

Question put and agreed to.

COMPANIES (AMENDMENT) (NO 2) BILL 1976

THE FINANCIAL SECRETARY moved the second reading of:—"A bill to amend the Companies Ordinance."

He said:—Sir, the bill seeks to bring certain limits expressed in the Companies Ordinance in Hong Kong dollars up-to-date. It also seeks to simplify the procedure applicable to the winding-up of companies with assets unlikely to exceed \$10,000. And it strengthens the law against abuse in respect of floating charges. The details are summarized clearly in the explanatory memorandum.

There is, however, one minor provision of the bill which does need further explanation. Section 4 of the Companies (Amendment) Ordinance 1976 provides where a company had a nominal capital in excess of \$3 million on 1st June 1955, the company should pay a fee of \$4 for every \$1,000 of such excess nominal share capital. The additional fee becomes payable on 1st January next year. It was intended that a company could, if it wished, avoid paying the fee by cancelling any unissued excess nominal share capital before 1st January. However, the Government is advised that a possible interpretation of the section could mean that the fee definitely became payable on the unissued capital as at 23rd January 1976, the date on which section 4 came into force, with the payment being merely deferred until 1st January. Clause 6(b) makes a short amendment to the Eighth Schedule to the Companies Ordinance which puts the matter beyond doubt.

Motion made. That the debate on the second reading of the bill be adjourned—THE FINANCIAL SECRETARY.

Question put and agreed to.

**LANDLORD AND TENANT (CONSOLIDATION)
(AMENDMENT) (NO 2) BILL 1976**

THE SECRETARY FOR HOUSING moved the second reading of:— "A bill to amend the Landlord and Tenant (Consolidation) Ordinance."

He said:—Sir, it is generally agreed that Part I of the Landlord and Tenant (Consolidation) Ordinance, which controls the rents of pre-war premises, favours tenants to an excessive degree at the expense of the owners of these properties. As a first step in correcting this imbalance, a modest increase in the rents of pre-war premises was allowed in January 1976—a small increase for domestic premises and a rather larger one for non-domestic premises. This bill takes the process a stage further by providing for a further increase of the same amount.

Average non-domestic rents are about \$280 per floor, and the average monthly increase permitted will be about \$78 in a pre-war tenement building, and generally no higher than \$100. The resultant average rent for non-domestic tenancies will then be only 26% of the fair market rent, and the aim is to continue to close this gap. There is no reason why property owners should subsidize commercial or industrial activities.

For domestic premises, rents will be increased by about \$28 a month for a tenement floor on a present average rent of \$148, and generally increases are unlikely to exceed \$40. The resultant rent will still be only 30% of fair market rents. This very small increase should not cause any hardship, particularly as many of these tenement floors are shared by several families, so that the average monthly increase is likely to be about \$7 per family.

The technical amendment proposed in clause 3 is to ensure that all premises presently enjoying the 21% rent increase limit will continue to do so subsequent to the 1976 review of rateable values.

Motion made. That the debate on the second reading of the bill be adjourned—THE SECRETARY FOR HOUSING.

Question put and agreed to.

DETENTION CENTRES (AMENDMENT) BILL 1976

THE SECRETARY FOR SECURITY moved the second reading of:— "A bill to amend the Detention Centres Ordinance."

He said:—Sir, this bill seeks to do two things—first, to make some amendments to the legislation covering the present system of detention for young offenders aged 14 and under 21 and secondly to extend the age limits to include young adult offenders between 21 and 24 years of age. I should like to take the time of this Council to expand on these points.

Detention centres for young offenders aged 14 and under 21 were established in 1972. Such persons are detained in these centres for a period of not less than a month and not more than six months. The average is being about four months. Population has varied between 300 and about 150. It is currently 180. In the four years since the system was introduced experience has shown that this scheme is an important one amongst those available for the treatment of young offenders. And it also appears to be a successful one.

Those who are sent to these centres are carefully selected and by June of this year 2,150 persons had been admitted. By the same date about 1,980 had been released. On release, each detainee commences a six months period of after care. During the six months period 80 have been reconvicted and a further 222 have been convicted after their supervision period had expired. This total of 302 represents 15.2% of all releases. Now this is a much better figure than is achieved from training centres and prisons, though it must be accepted that a fair comparison is not possible because of the highly selective basis on which inmates of detention centres are chosen. Even so, it is encouraging and shows that young offenders do react positively to the training provided.

On the basis of experience so far it is proposed that the system should continue as a permanent feature of our correctional and rehabilitative policy for the treatment of offenders. However, we need to make some alterations to reinforce and improve the scheme. This requires some amendments to the principal ordinance details of which are set out in the explanatory memorandum. I only propose to comment on three:

- (1) Under the principal ordinance only a first offender can be sent to a detention centre. We believe that there would be some additional deterrent value if the courts were empowered to make a second, or subsequent, order against an offender. Such an order would, of course, only be made after considering a suitability report from the Commissioner of Prisons and probably, therefore, there would only be a relatively few cases in which persons would be sentenced for a second

[THE SECRETARY FOR SECURITY] **Detention Centres (Amendment) Bill—
second reading**

or subsequent period. However, the possibility that they might be, should have some additional deterrent value without, we believe, detracting from the overall objects of the scheme.

- (2) It is proposed to extend the period of supervision on release from six to twelve months. Of the detainees who have been reconvicted half commit criminal offences in the six month period following the period of supervision. So, we believe it should reduce recidivism if the period of supervision after release were to be extended to twelve months. Clause 5 of the bill provides for this; and
- (3) It seems sensible to take powers to remove a person from a detention centre if, for appropriate reason, he proves unsuitable for such training. Clause 8 provides accordingly.

The second thing which the bill seeks to do is to extend the scheme to young adults aged over 21 and under 25. The reason for this is not only the apparent success of the scheme for young offenders, but because the last four years has seen a quite discernible shift in the age structure of those admitted to various Prison Department institutions for violent crime offences. In 1972 78% of all such persons were under the age of 25 and 24% were between 21 and 24. By 1975 the percentage in this latter category had increased to 29.5% whilst the figure of all admissions under 25 had fallen to 63%. These figures highlight two aspects—first the age of those admitted for violent crime offences is rising and second we need to concentrate on the treatment of those in the 21 to 24 age group.

The object of the detention centre regime is to deter young criminals from a life of crime, before they become fully committed to it, and so propose to extend the age limit for admission to embrace young adults to see whether this type of treatment for this age group can be as effective as it has so far been shown to be for young offenders.

In discussions with my Honourable Colleague the Attorney General and with the Commissioner of Police and the Commissioner of Prisons we have concluded that most of the provisions of the principal ordinance should be applied to this older group with the exception that we believe it to be desirable that because of their

maturity they should be required to serve a minimum period of three months rather than one month which applies to young offenders under 21. We also consider that the maximum period of the Order should be extended to twelve months to give a longer training period.

So far as practical arrangements are concerned those in the older age group in a detention centre will be segregated from those between 14 and 20. In addition, the existing practice by which the age group 14 - 20 is sub-divided into two classes of those between 14 - 16 and those between 17 - 20 will be maintained. A new cell block to accommodate those in the older age group is under construction at Sha Tsui.

If this bill receives the support of honourable Members as I hope will be the case, the scheme to extend the age group will be introduced in about May or June next year. I believe it should provide a most useful addition to the alternatives which are available to the Courts in respect of treatment of offenders and should make an important contribution to the fight against crime.

Motion made. That the debate on the second reading of the bill be adjourned—THE SECRETARY FOR SECURITY.

Question put and agreed to.

PENSIONS (INCREASE) (AMENDMENT) BILL 1976

THE SECRETARY FOR THE CIVIL SERVICE moved the second reading of:—"A bill to amend the Pensions (Increase) Ordinance."

He said:—Sir, in November 1975, the Pensions (Increase) Ordinance was enacted to give legislative authority for the payment of pension increases which had in the past been granted administratively.

Section 5 of the principle ordinance already excludes pension increases from the operation of section 9 of the Pensions Ordinance, which limits the amount of an officer's pension to two-thirds of the highest pensionable emoluments drawn by the officer during his service. The purpose of this bill is to extend section 5 of the principal ordinance so that it too will exclude pension increases from the operation of section 8 or section 10 of the Widows and Orphans Pension Ordinance. The effect will be that retired pensionable officers will not be required to contribute more out of their pensions towards the Widows and Orphans Pension Scheme, by reason merely of an increase in their pension, than they were required to contribute before the increase was awarded. This will in fact simply restore the position

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second reading**

obtaining before pension increases were given legislative authority. Since they were then ex-gratia, they were not taken into account in determining the level of an officer's contribution under the Widows and Orphans Pension Ordinance.

Motion made. That the debate on the second reading of the bill be adjourned—THE SECRETARY FOR THE CIVIL SERVICE.

Question put and agreed to.

**DUTIABLE COMMODITIES (AMENDMENT)
(NO 2) BILL 1976**

MR DORWARD moved the second reading of:—"A bill to amend the Dutiable Commodities Ordinance."

He said:—Sir, the purpose of this bill is to permit the sale in Hong Kong of brandy having a minimum strength of 30 degrees under-proof which represents, in other words, an alcoholic content of 40% by volume.

The present prescribed minimum strength of ordinary brandy, laid down in section 53 of the Dutiable Commodities Ordinance, is 25 degrees under-proof or 43% alcohol by volume. I refer to ordinary brandy because brandy which, in the opinion of the Director of Commerce and Industry, is very old liqueur brandy may be imported below this strength. Indeed for such brandy, which in practice is taken as VSOP or better, no minimum strength is prescribed.

The effect of the law as it now stands is that any brandy which is not of a better quality than "three star" and is of a strength below 25 degrees under-proof is considered as "adulterated liquor". It is thus an offence under section 61(1) of the Dutiable Commodities Ordinance to import, sell, supply or deal in it.

The present Hong Kong minimum was first laid down in 1898 under the Liquor Licensing Ordinance, an adaptation of an English law which was modified many years ago. Today most, if not all, brandy importing countries allow imports at the now proposed minimum standard strength of 40% alcohol by volume. Brandy producing countries have requested that the Hong Kong legislation be amended to conform to general world standards. It is now proposed to accede to these requests.

The proposed amendment would mean that some ordinary brandy sold in Hong Kong might be a little weaker (*laughter*). Such brandy has, however, a relatively small share of the market: about 15% in fact compared with the very old liqueur brandies which have 85% of the market.

If this bill is passed into law there would be no loss of revenue, which is assessed by volume rather than alcoholic strength, and the main effect would be to bring Hong Kong into line with general international practice and open the market to brandies which have hitherto been barred.

Motion made. That the debate on the second reading of the bill be adjourned—MR DORWARD.

Question put and agreed to.

CRIMINAL PROCEDURE (AMENDMENT) (NO 2) BILL 1976

Resumption on debate on second reading (24th November 1976)

Question proposed.

DR HU:—I rise to support the Criminal Procedure (Amendment) (No 2) Bill 1976 as presented to this Council. The alternative of suspended sentences of imprisonment has been tried out in the courts for nearly six years. The experiment has confirmed that this alternative is an effective form of deterrent, particularly in the case of young offenders whose offences are of a less serious nature and who have not yet become hardened criminals. It is therefore opportune that the provisions for suspended sentences should now be made a part of the permanent law. On the other hand, it is only right and proper that the alternative of suspended sentences should not apply to the more serious offences, defined as accepted offences and listed in the Third Schedule to the principal Ordinance. For these offences a custodial sentence is entirely appropriate.

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).

THE CHINESE UNIVERSITY OF HONG KONG BILL 1976**Resumption of debate on second reading (13th October 1976)***Question proposed.*

DR CHUNG:—Your Excellency, following the publication of this bill in the *Gazette* on 24th September 1976, the Unofficial Members of this Council received on the following day very lengthy representations from the Chairman of the Board of Governors of New Asia College. We were requested to reject any consideration of the legislation and to recommend that the draft legislation be referred to the University Council for consideration. Although the Unofficial Members were busily engaged in the 1976 Annual Policy Debate when the bill was introduced in this Council on 13th October, an *ad hoc* group consisting of ten Members was formed immediately to receive representations and to consider in detail the proposed legislation.

The *ad hoc* group held its first meeting on 20th October to hear a submission from the Acting Chairman of the Working Party of New Asia College against the bill. Since then the *ad hoc* group has held a series of six meetings to listen to and discuss with a number of interested parties their representations. The parties whom the group met were in the order of interview:

- (1) Chairman and representatives of the Board of Governors, Chung Chi College;
- (2) Church leaders and members of the Theological Council of Chung Chi College;
- (3) Chairman and representatives of the Board of Governors, New Asia College;
- (4) Secretary of the University Council, The Chinese University of Hong Kong;
- (5) Secretary of the University and Polytechnic Grants Committee; and
- (6) A member of the academic staff, United College.

There were, we gathered, two major objections from the Board of Governors of both Chung Chi and New Asia. The first is procedural. We heard complaints on the lack of consultation with the Board of Governors of individual Colleges and on the lack of discussion in the University Council. The second objection is that the bill, by taking away practically all the powers and functions of the existing Boards of Governors of individual Colleges, would destroy the different traditions of the Foundation Colleges.

We, the Unofficial Members, also received a number of written representations from many senior academic members of the Chinese University strongly supporting the bill. Some of them did propose numerous amendments, many of which seem fair and reasonable, and have the support of the Unofficial Members.

We were informed by the Secretary of the University Council that at its meeting on 2nd November, the Council had discussed this bill and resolved, with two abstentions, to accept the bill.

After some lengthy discussions between the *ad hoc* group of Unofficial Members and the Board of Governors and the Theological Council of Chung Chi College, a large number of proposed amendments was agreed to the bill. They eventually withdrew their objection and gave unqualified support to the bill as it will be after amendment.

It is regretted that the representatives of the Board of Governors of New Asia College when interviewed by us could not see their way to supporting the bill either as it is or after amendment. This is the only party standing fast on its objections. The *ad hoc* group has given much thought and consideration to the objections raised by the Board but, unfortunately, is unable to uphold the objections in respect of, firstly, lack of discussion and consultation within the University and, secondly, loss of control from the Board of Governors to the University Council.

On the first objection, we were given to understand that reorganization of the University had been under active discussion within the University for more than two years. A Working Party had been appointed by the Vice-Chancellor in February 1974 to discuss the basic issues involved and to make recommendations for re-organization. We were informed that the Working Party, consisting of academic members and student representatives of the University and its three constituent Colleges, had held a total of 60 meetings over a period of 12 months. We also learned that the Report of the Working Party had served as an important document for the Fulton Commission which, as the Acting Secretary for Social Services said in moving the second reading of the bill, had meetings with members of all the governing bodies of the University and Colleges, various University officers, the Presidents of the colleges, various members of staff and representatives of the student body. The University Council had also fully discussed the bill recently and resolved to accept the bill.

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Against the second objection, we support the general basic principle recommended by the Fulton Commission. We feel that the present federal nature of the University must be changed so that all powers and functions in the governing of the University and the Colleges are vested in the University Council and Senate. We understand that at one time many of the administrative functions in the federal University were quadrupled. The Chinese University had four registrars, 4 bursars, 4 calendars, etc. It was really wasteful and, as the University is financed from public funds, every effort should be made to improve its efficiency and effectiveness. Whilst we are sympathetic with the sentiments expressed by the Board of Governors of New Asia College we believe that, for the overall good of Hong Kong in general and of the Chinese University in particular, the time has come for the University to undergo such a major change as is proposed by the bill. We hope, nonetheless, that there may be a change of heart on the part of the Board of Governors of New Asia College after they have seen and assessed the very comprehensive list of amendments to be made to the bill. As far as United College is concerned, it is understood that its Board of Trustees has no objection to this bill in principle.

Sir, so much for the principles of the bill. I now come to the amendments which we, the Unofficial Members, would like to propose or support. I shall only deal with those ones of some substance and in the order of the bill.

First, regarding Clause 2 of the bill. Without dispute, Hong Kong has grown by leaps and bounds in the last decade and as a result there is an ever increasing call on the limited time of Your Excellency. It is felt that the Chinese University should follow the practice of her sister University in Hong Kong and establish a post of Pro-Chancellor to act on behalf of the Chancellor in case of need.

We have received representations that Clause 5 should be amended in two places. Firstly, the Heads of Colleges, the Deans of Faculties and the Dean of the Graduate School should be included as officers of the University. Secondly, the University Council should be empowered to appoint, from among the regular staff of the University, more than 2 Pro-Vice-Chancellors and to prescribe the powers and duties of the Pro-Vice-Chancellors. We support these two proposals.

Sir, most of the other changes are in the Statutes contained in the First Schedule to the bill. There are some major amendments proposed for Statute 8 dealing with the Heads of Colleges. It has been put to us that the appointment of the Head of College for a period of 7 years is too long, and is not flexible enough to meet the wishes of both the University and the appointee. We take this point and therefore propose that the Head of a College, other than the first Head, should be appointed for a period of 4 years and shall be eligible for re-appointment for a maximum of two further periods, each of 3 years.

The Chung Chi Board of Governors feels quite strongly that in order to ensure the preservation of the tradition of the Colleges, the future Board of Trustees of each College should have some influence on the selection and appointment of the College Head concerned. We consider that this is a reasonable request. Hence, we suggest that the selection committee should include one person nominated from among their own members by the Board of Trustees of the College concerned, and that the first Head of each College should be appointed by the Council on the recommendation of the Vice-Chancellor in consultation with the Chairman of the Board of Trustees of the College concerned.

Coming to Statute 10 relating to the University Council. We see no reason not to accede to the proposal that the number of members elected to the Council by the Board of Trustees of each College should be raised from one to two, and that three academics should be nominated by the Senate as members of the Council. We also suggest that paragraph 2 of this Statute be redrafted to make it clear that persons who are members of the Board of Trustees of any College shall not be disqualified for nomination or election to the University Council. However, once they are elected to be members of the Council they shall resign from membership of the Board of Trustees.

Regarding the financial procedure as outlined in Statute 11, we suggest that a compromise be made in response to the request of the Chung Chi Board of Governors by including the Heads of Colleges as ex-officio members of the Finance Committee, and by permitting the Head of College to transfer any sub-heads of the same head solely for his own College.

There were numerous discussions on the powers and duties of the Senate as contained in Statute 13. It was brought to our attention that the two very important aspects of the work of the Senate were missing, namely, the assignment of students to Colleges and the

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conduct of student-orientated teaching. We agree with this observation and recommend that the following powers and duties be added to paragraph 4 of Statute 13:

- (1) To assign students to Colleges with due regard to the preference of both the students and the Colleges; and
- (2) To consider, upon the advice of the Assembly of Fellows of each College, measures necessary for the conduct of student-teaching.

The Teachers' Association of the University has suggested that, in Statute 14, the Dean of Faculty should be elected from among all its full members and not only from among its Professors, Readers and Directors of Studies. We note from the experience of the University of Hong Kong that very often Senior Lecturers are elected Deans of Faculties and therefore feel that there is reason to make Senior Lecturers also eligible for election. The Association believes that the objective of teachers' participation in University government could be more effectively achieved if the voices of more teachers of various ranks are heard on a Board of Faculty. It has therefore been proposed that, for each faculty, six representatives should be elected from among Assistant Lecturers and Lecturers and three representatives should be elected from among Senior Lecturers. We understand that the Vice-Chancellor is agreeable to this proposal in principle. However, so that the Boards of the Faculties will not become unduly large and the balance between senior and junior staff will not be too greatly disturbed, the proposed number of representatives should be reduced by one-third. We concur with this compromise.

The same Association has proposed to dispense with the Boards of Advisers in Statute 19 and, instead, to empower the Senate to make recommendations to the Council for the appointment of academic staff. We believe that the Boards of Advisers are desirable and should be retained. On the other hand, we recognise the need for the Senate to have some influence on the appointment of teachers. We therefore propose that recommendations from the Boards of Advisers concerning teaching appointments should be conveyed through the Senate to the University Council.

The Church leaders have emphasized the need to safeguard the Christian tradition of Chung Chi College in view of the fact that the theology building was built, and is being maintained, with church

funds. Furthermore, the Theology Division is financed by the Church and is essential for providing training for the Ministry. We take this point and understand that appropriate amendments will be made in the Third Schedule so that the Board of Trustees of Chung Chi College shall have the power and duty:

- (1) to appoint the Chaplain of the Chapel;
- (2) to recommend to the University Council the appointment of the Head and all teachers in the Theology Division and the Warden of the Theology Hostel;
- (3) to allocate the use of private funds for the promotion of theological education and the maintenance of the theology building; and
- (4) to advise the Senate on all policy matters relating to theological education.

Sir, I think I have covered all the material changes which are supported by all the Unofficial Members. Nevertheless, should I have made any omissions, I am sure those of my Unofficial colleagues, who speak after me, will make the necessary rectifications.

Sir, with your permission, I would like to take this opportunity to touch upon one or two very important matters relating to the University itself, as apart from the bill. During the late 1950's when consideration was given to the establishment of the Chinese University to provide tertiary education for students in the Chinese secondary schools, the number of students from this stream was almost equal to that of the Anglo-Chinese secondary schools. By the mid-1960's, the ratio of student population in the Chinese secondary schools to that in the Anglo-Chinese secondary schools had dropped from 1:1 to 1:2, and by the end of the 1960's had dropped further to 1:3. Today, the ratio is as low as 1:4.4 and is still dropping. On the other hand, student enrolment in both Universities is about equal.

To put the situation in proper perspective, let me quote the actual figures. The student population in each of the two Universities is about 4,000 at present whereas there are about 285,000 pupils in the Anglo-Chinese secondary schools and only about 64,000 pupils in the Chinese secondary schools for the five forms. As a result, there are a number of consequences of this imbalance. One of these is, obviously, the extremely keen competition among the pupils of Anglo-Chinese secondary schools for places in the University of Hong Kong. Another consequence is the diversion of a large number of students from Anglo-Chinese secondary schools into the Chinese University where the courses and language of instruction have been

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designed basically for students from the Chinese secondary schools. This must cause a great deal of frustration to students from the Anglo-Chinese secondary schools.

I believe there is an urgent need for rationalization and unification of the two Universities in Hong Kong. What Hong Kong needs is one basic system common to both Universities. This can be achieved by reducing from 4 years to 3 years the duration of the course in the Chinese University and adopting a common matriculation examination for the two Universities. Sir, in my maiden budget speech in 1968 almost ten years from now I made this proposal, and although nearly ten years have elapsed no progress has been made by Government on this important issue.

I understand that students in England have to take only one type of matriculation examination for admission to any one of its almost one hundred or so universities and polytechnics. One really fails to understand why, in such a tiny place like Hong Kong with only two small universities, we have to make things so difficult for our students in Hong Kong. A large proportion of our students have to attend three major public examinations in three consecutive years. We must rectify this undesirable situation without delay if we are to improve the efficiency and effectiveness of both our secondary and tertiary education. I understand that among my Unofficial Colleagues speaking on this bill later this afternoon there will be at least two of them who will be expounding further on this crucial issue of the educational system in Hong Kong.

With these remarks, Sir, I am glad to say that the Unofficial Members will give support to this bill subject of course, to the Government's agreement to the above mentioned amendments.

MR CHEONG-LEEN:—Sir, my Senior Colleague, Dr S. Y. CHUNG, has outlined the various representations received by the *ad hoc* group of Unofficial Members of this Council formed to examine The Chinese University of Hong Kong Bill 1976; the views of the group on some of the more important points of principle on the bill; and the major amendments proposed to the bill arising from discussions held in regard to the representations received by the group.

In rising to support the views of the *ad hoc* group, I am also impelled to add my own personal views on points which I feel have a bearing on the future of the Chinese University.

First of all, I concur with the preamble to the bill, particularly section (e)(iii), whereby:

"... it is declared that The Chinese University of Hong Kong, in which the principal language of instruction shall be Chinese, shall continue to—(iii) stimulate the intellectual and cultural development of Hong Kong and thereby to assist in promoting its economic and social welfare".

While every reasonable step must be taken in the public interest to reduce the comparatively high expenditure on the administration of the Chinese University, I hope that no attempt will be made over the long run to cast the Chinese University into the mold of the Hong Kong University.

The Chinese University should at all times be allowed to flourish as an institution of higher learning on a Chinese cultural basis. For the time being, it is immaterial whether the principal dialect of instruction is Cantonese or Mandarin, so long as it is in Chinese. Although Mandarin is recognized as the official language of modern China, I am told that many historians believe that Cantonese is probably the oldest of all the major Chinese dialects. (*laughter*)

Certainly too, a high degree of proficiency in mastering the English language has to be fostered within The Chinese University, since English is one of the languages most commonly used throughout the world in commerce and industry, and is conducive to the interflow of science and culture.

The uniqueness of The Chinese University of Hong Kong is in its provision, for its students, of a knowledge of Chinese cultural heritage and of modern Western learning. This, to the best of my knowledge, is seldom if ever found in any other part of the world.

A second point: the term "student-orientated teaching" is explicitly mentioned in the preamble to the bill. It is my interpretation that this was deliberately done in order to emphasize the intention that a true and correct balance has to be struck between what is known as "subject-orientated" and "student-orientated" teaching. The Fulton Report has made the following observation: "in all university teaching there is a dual responsibility—to the subject itself and to the student who looks for help in his step-by-step progress towards his goal."

How this dual responsibility will be shouldered by The Chinese University and its three constituent Colleges after the passage of the bill is a matter for the University authorities to sort out among them-

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selves. Only time can tell what the right combination of these two methods of teaching should be, and how to apply the "student-orientated" approach at the level of the constituent Colleges in the most effective way. The ultimate aim is to enable individual students to make progress towards independence of thought and judgment, and to be self-generating in exercising their own initiative. Towards this end, the Chinese University will be fulfilling one of its principal functions: that of preparing young people to become the future thinkers and leaders of Hong Kong.

Sir, I support the bill with the proposed amendments.

MR F. W. LI:—Sir, first of all, I must declare an interest, because of my long and active association with Chung Chi College. I was for six years the Chairman of its Board of Governors, having vacated that office only in July this year. I shall, however, endeavour to speak as objectively as I can.

My Senior Unofficial Colleague, Dr CHUNG, in his speech a few minutes ago, has disclosed in detail the proposed amendments agreed upon between Government and the Unofficials. I need not repeat them here, and will confine myself to a few points.

In moving the second reading of the Chinese University of Hong Kong Bill 1976 on 13th October last, the Acting Secretary for Social Services gave an account of the events leading up to the appointment of the Second Fulton Commission. Its Report has resulted in the proposal of the bill now before Council.

When the Chinese University was started, Government and the Foundation Colleges all agreed on a federal system of university governance. Such a system was not imposed on the University authorities: it was a policy decision accepted by all directly concerned with the establishment of the University.

In its short history of thirteen years, the Chinese University has indeed made rapid and extensive progress in its development, and has grown both in size and in stature. Not only has it become an important centre of learning in this community, but it has gained international recognition. We should, however, remember that all the three constituent Colleges have a much longer history than the University itself.

To be exact, one was founded twenty-seven years ago, another twenty-five years ago, while the third is now twenty years old.

The three Colleges were separately and independently established as Chinese institutions of higher learning. They were individually established by their founders to serve a specific purpose, each College having its own role and functions in the field of tertiary education. Their individual traditions and distinguishing features evolved during the long years these three Colleges existed as separate entities. It is a historical fact that those traditions were preserved when, in 1965, after having shown remarkable achievements, they became the Foundation Colleges of the newly-established Chinese University of Hong Kong.

During the past two months, the *ad hoc* group of Unofficial Members has met many long hours to study the implications of the bill, to receive representations, and to hear the views of various interested parties. Some criticised the high cost of administration in the Chinese University, other questioned the quality of teaching, whilst still others alleged that the Bill itself is objectionable and even immoral in that it is designed to destroy the Colleges and take away almost all of the powers which they now hold, without adequate consultation between the parties concerned.

Although it is suggested the Colleges had been consulted on the possible new structures of the University which were proposed by the University's own Working Party, the Colleges were never consulted on the contents of the Report of the Fulton Commission, and indeed they were actually informed that there would be an opportunity to submit comments subsequent to the publication of the present bill. It is therefore appeared that while the Colleges were consulted on the final report of the University's Working Party the only other opportunity for them to make their views known on the major changes to the University now being contemplated was after the bill was published, in September 1976. I think it would not be amiss for me to state that, in this day and age, it is not surprising that this lack of adequate consultation has attracted adverse comment.

In my view, Sir, it is timely for an evaluation to take place at the present moment, in the light of the experience gained thus far and taking into account the changing needs of the community and the new challenges which lie ahead. Based on the recommendations of the Fulton Commission, this bill seeks changes in the administrative machinery as a means to achieve the ends of improving the academic programmes of the University and the all-round education of the students. In practical terms, it also seeks the reorganization of the University

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structure to enable the University to conduct subject-orientated teaching and the Colleges to provide student-orientated teaching.

The Preamble to the bill clearly states that some of the powers and functions conferred on the Colleges should be vested in the University. This may seem rather drastic but, in reality, do the Colleges still possess those powers and functions which they originally held? It appears to me that there has already been a *de facto* transfer of powers and functions from the Board of Governors to the University's central administration. It would be impossible to put the clock back now. It would also be unhealthy to let the present situation continue without some basic changes for improvement. I can only assume that the statutory transfer of powers to the University's central administration will result in the remaining weaknesses being rectified.

Sir, the Preamble of the bill also states that the principal role of the Colleges would in future be student-orientated teaching. Although the Fulton Commission gave explanations and referred to the hypothetical example of student-orientated teaching, it did not indicate guidelines regarding the *modus operandi* of this method of teaching. Whilst, according to the Commission, the Colleges are to be assigned this very specific and important role, which would be distinguished from the tutorial arrangements at present, the bill has omitted this point. Instead, a different type of function is assigned to the Assemblies of Fellows representing the Colleges, namely—"the responsibility for arranging the tutorial instruction and pastoral counselling of students". The difference between the Commission's recommendations and the bill, as presented, may have serious repercussions in future and may lead to unnecessary confusion regarding the new role of the Colleges. A precise indication must therefore be included in the bill to specify that the conduct of student-orientated teaching is the duty and responsibility of the Assemblies of Fellows. After all, this is one of the few meaningful roles which the Colleges will have to play in the reconstructed University system.

In this connection, I should like to point out here that adequate teaching strength must be given to the Colleges in order to enable them to conduct student-orientated teaching properly. The bill does not make sufficiently clear how teachers are to be assigned to the Colleges. Additionally, there is no provision to give full consideration to the wishes of students in their choice of Colleges. I feel that these

amendments are necessary, on the allocation of teachers and the assignment of students, taking into account their own preference.

I would hope that, in implementing this reorganization of the University structure, equal emphasis and priority will be given to the new role of the Colleges. The introduction of student-orientated teaching in the Colleges and University reorganization must be implemented simultaneously.

Sir, in urging that the new role of the Colleges should be given equal priority, I do not under-estimate the difficulties which lie in the months ahead. The Colleges will have a challenging task: a task which requires careful planning and adequate preparations to be met successfully. It is their responsibility to flesh out the concept of student-orientated teaching, and to make it work. I wish them every success in their endeavours.

The Commission emphasized that the living traditions of the Colleges should be fully recognized and transmitted to successive generations of students, but it did not clearly suggest how this can be achieved. As I mentioned earlier, each College has its own traditions and I am firmly convinced that it will be to the advantage of both the Colleges and the University if these traditions are preserved as far as possible and the wishes of donors who contributed to the cost of buildings and facilities are respected. In order to achieve this, staff continuity would be an important element. In other words, staff should not be transferred from one College to another unnecessarily. Another important factor is the appointment and re-appointment of the Head of a College. The Board of Trustees should have a part to play in filling this post. Furthermore, as the first Head of a College will have a challenging task—to preserve the traditions of his College on the one hand, and to implement the new role of student-orientated teaching on the other—he must have the full confidence of both the Board of Trustees and the University Council. The recommendation for his appointment and re-appointment should therefore be made only in consultation with the Board of Trustees.

In recognition of the need to give the Colleges a measure of flexibility in the management of their finances in order to create a suitable cultural environment for their members, the Fulton Commission stressed that a College should be given some responsibility in the drawing up of its own budget. A College should have the right to vire between sub-heads of expenditure at its discretion. To my mind, this is an important and sensible provision which will enable the Colleges to function with a degree of flexibility in future.

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Sir, it is regrettable that much misunderstanding has occurred during the past few years between the Chinese University and its Foundation Colleges. This was due, in my opinion, to insufficient dialogue and communication. In the course of implementing the Commission's recommendations, I strongly urge Government to make certain that there should be closer consultation, better co-operation and mutual understanding between the University and the Colleges in their efforts to find the most workable and acceptable solutions to the details left out, perhaps deliberately, in the Commission's Report. This, I hope, would ensure that implementation of the Chinese University of Hong Kong Bill 1976 will be successfully carried out, in the best interests of the University, the Colleges, the students, and the community-at-large.

I am gratified that appropriate amendments, including those points which I have mentioned today, will be made at the committee stage of this bill. In due course, after a transitional period, I believe Government would wish to consider whether any further modifications to legislation may be necessary to ensure that the revised University structure and the new role of the Colleges are given the full legislative backing they deserve.

Sir, with these remarks, I support the motion.

MISS KO:—Your Excellency, the Chinese University of Hong Kong Bill 1976, which I understand will be amended at the committee stage to take account of certain changes proposed by Unofficial Members of this Council, introduces a more integrated system of administration for the University and yet tries to allow for the preservation of the main traditions of the individual colleges. This restructuring of the University appears to be geared towards higher efficiency and a greater effectiveness in University education.

Student-orientated teaching is mentioned in the preamble to the bill. That this new approach should be officially recognized in this way makes it all the more significant. As we understand, University education aims at more than just transmission of knowledge. It is also an important stage in the process of self-discovery and in the personal development of each student. Therefore, whilst on the one hand formal

teaching such as lectures, seminars, demonstrations and other formal academic work is important, informal exchanges of ideas and opinions by individual or small group tutorials are equally important on the other. In a broad sense, student-orientated teaching is desirable at any educational level, and carries a special significance at University level.

The further development of this approach will undoubtedly improve the quality of teaching in the Chinese University. But the practical considerations in implementing it are manifold, and the obstacles tremendous. It is nonetheless hoped that student-orientated teaching will become a long-term goal which the Colleges will pursue with determination.

Owing to the different entrance requirements of the two local Universities, students preparing for university entrance are confronted with a choice of two matriculation courses—the two-year course leading to the HKU Advanced Level Examination and the one-year course for HKCU Matriculation. There has been a tendency for the majority of Form VI students to enter for these two highly competitive examinations in the same or in two consecutive years. The disadvantages are obvious. Students have to put up with intensified mental and physical stress, and the cumulative examination entry fees are a tremendous financial burden to a good number of them. It is felt that the present system is now redundant and a waste of time and manpower, and it is most desirable that consideration be given to a joint matriculation examination with a common examination syllabus. This undoubtedly requires the universities to resolve the discrepancies in their entrance standards and requirements, curricula and course duration. Though the difficulties may take time to resolve, they should not be insurmountable.

Sir, I support the motion.

REV JOYCE BENNETT:—Sir, we have before us today for discussion a bill which will radically alter the composition of one of Hong Kong's two Universities. This is not something to be undertaken lightly nor in haste and I am grateful to have had the opportunity to sit on the *ad hoc* group of Unofficial Members of this Council that has been considering the bill. I am glad too that this debate was postponed until today so that we could receive representations from the interested parties, the Colleges who naturally were dismayed at the vesting in the University of the powers and functions previously conferred on them.

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In 1963 the three Foundation Colleges agreed to enter into a Federal type University, confident that they could each maintain their own particular emphasis in higher education. It was clear then that the time had come to establish a second University, but it was agreed that this Chinese University of Hong Kong would differ substantially from the earlier Hong Kong University. Thus the new University was to be federal and to provide a four-year course with Chinese as the principal language of instruction.

In the last 13 years this second University has grown much larger so that its numbers of students and staff increased its costs. To have three Colleges each with their own administrators and staff and the University with another set of administrators and staff has clearly proved expensive and cumbersome. In this bill the Government has understandably aimed to cut costs by removing from the Colleges any functions to be found at the University level. It is hoped thereby that not only will be administration run more smoothly, but that concentration of all academic posts in the hands of the University will improve the academic performance of the University. It is further hoped that by providing student-orientated teaching in the three Colleges, the students will have greater assistance in developing their individual potential.

Time will show whether the objects of the bill can be achieved. I should like to plead here for a serious consideration of another method of reducing costs and improving the academic quality of the Chinese University. I believe it is imperative that the Government cuts the course at Chinese University down to three years, thus enabling approximately 1,000 more students to have University education for the same cost. I do not believe we can afford to maintain such an extravagant system whereby some students have a four-year University course. You will recall such arguments were used when the University of Hong Kong was forced to reduce its course by one year and the schools had to provide the second year of the Matriculation course. These arguments are even more relevant today when there are far more young people clamouring to enter the University.

We must be fair to them, provide one common examination for all aspiring to University education and then give places to the best. At the present, wastage is being encouraged at both Sixth Form level and the Chinese University. Students exhaust themselves studying two

different courses and not performing well in either in consequence. Lower Sixth Students, who are successful in entering the Chinese University, are causing seats to be empty in the Upper Sixth. At the University level, students accept a place at Chinese University and then discover they can be admitted to HKU and go off, disrupting the arrangements at the Chinese University. Furthermore, I have seen students of less worthy calibre enter the Chinese University, while others of better calibre and worthy of a University education are not able to gain a place at the University of Hong Kong. We need a common yardstick to assess which students are capable of benefiting from a University education.

Already at Form V we have a combined Certificate of Education. Syllabuses are the same whether the examination is taken in English or Chinese; choice of language depends on the schools presenting the candidates. Similar provision could be introduced without much difficulty into the Sixth Form course. Only in this way can our system of secondary education be fully unified. Clearly changes are to come at the Chinese University so now is the time to introduce the combined Matriculation examination for both Universities.

It will be clear that I have spoken little on the details of the bill, since amendments are being introduced to cover those aspects of the bill which alarmed the Colleges at its first reading. It is imperative that the Colleges be allowed to preserve the aims and spirit of their founders. Preservation and continuance of their best traditions must be ensured. I believe that the amendments to be introduced will meet the very real objections of our friends in the Colleges.

However much we desire to integrate our Sixth Form courses, it is essential that our two Universities provide different systems. The Chinese University must be permitted to retain aspects of its federal nature that will ensure our Sixth Form students a real choice of University and College. With the stress on student-orientated teaching in the Colleges, the Chinese University could well develop a system of education the envy of the older University and a system that could have great influence on Secondary education.

With these remarks, I support the changes being made in the constitution of the Chinese University of Hong Kong by this bill.

MR CHEN:—Sir, notwithstanding the majority view of my honourable Colleagues in the *ad hoc* group on Chinese University of Hong Kong Bill 1976, I wish to express my reservation on the provision in the Preamble paragraph (c).

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This paragraph, as it now stands, firmly commits the University to "student-oriented teaching" when there are still much doubts as to what exactly "student-oriented teaching" means. There are also doubts as to its effect on the education of our younger generations in the future. Furthermore, there are even doubts as to what financial implications it will have. I do not propose going into details here, but these doubts were clearly reflected in the official documents published by the University and some member colleges of the University, and also in the discussions between their representatives and the *ad hoc* group.

Sir, I am of the opinion that the law, which empowers the University to provide higher education for the need of the community, should not commit the University to a particular mode or means by which higher education is given, as this is after all is very much an educational function. I agree that provisions should be made in the law to require the University to consider, and if found feasible, to implement "student-oriented teaching", but the final decision and consequently the responsibility on the adoption or rejection of this new concept of education must rest with the University. I would feel happier if suitable provisions could be included in the bill which, while retaining the feature of "student-oriented teaching", allows the University the necessary degree of freedom in exercising its judgment on educational matters of such vital importance. Without such provisions, the University will have no option but to implement what the law prescribes, and in this case we, the law makers, will have to bear the consequence of our decision.

Sir, with the exception, I support the bill as it would be amended.

SECRETARY FOR SOCIAL SERVICES:—Sir, I am grateful to honourable Members for the support they have given to the main principles embodied in this bill.

In preparing the bill that was published on 24 September, our intention was to confine ourselves mainly to those changes specifically advocated in the Fulton Report which would require amendment of the University's legislation. We were aware that not all aspects of the new system of governance that the Fulton Commission had envisaged had been included in the bill, but we thought that such matters were best left to subsequent examination within the University, bearing in mind

also that the bill empowered the University Council to amend the Statutes as it saw fit, with the consent of the Chancellor.

However, since the publication of the bill various amendments have been proposed and the more important ones have just been described by my honourable Friend, Dr CHUNG. I have agreed to accept the various amendments that were supported by the *ad hoc* group and shall be moving these at the Committee Stage accordingly.

Sir, in order to complete the list I should like to mention the other amendments, apart from those already mentioned by Dr CHUNG, that will be made, other than textual corrections and amendments that are consequential upon others that have been mentioned already.

Clause 19 will be amended in order to exempt any of the property transfers or assignment of rights resulting from the bill or from the Tenancy Agreements from the payment of stamp duty. This exemption will serve to avoid the delay in executing the transfers which assessment for stamp duty would entail.

In addition to the amendments to Statute 8 described by Dr CHUNG, there will be a further amendment to provide that the Head of College shall be an academic. This is in accordance with the intentions of the Fulton Commission.

Statute 12 will be amended to include the Secretary, the Registrar and the Bursar among the membership of the Administrative and Planning Committee, in accordance with present practice in the University.

Statute 14, which is concerned with the Faculties, will be amended to make provision for the Graduate School, again in accordance with present practice.

Amendments will be made to Statute 15 to provide that the members of the committees that will recommend to the Council on the appointment of the six initial Fellows for each College shall be nominated by the staff of the College concerned, and that at least three of the six Fellows so appointed shall be drawn from the existing staff of that College. This will help to preserve continuity in the traditions of the Colleges.

My honourable Friend, Mr F. W. LI, has raised the need for the bill to provide that among the duties of the Assemblies of Fellows should be included the arranging of student-orientated teaching, and an amendment to this effect will be made to Statutes 13 and 15.

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Statute 24 will be amended to accommodate the Students Unions for the Colleges.

In addition to the amendments to the Third Schedule described by Dr CHUNG, provisions will also be made within this Schedule for each Board of Trustees to be empowered to make a statement of its aims. This will also help to preserve the traditional identity of each College.

Sir, these amendments, together with those described earlier by Dr CHUNG, will meet most of the important points of concern expressed by the various groups. This legislative framework cannot cover all of the procedures that ought to be conducted if the University is to win the consent and support of its members and I would agree with Mr LI about the importance of consultation, co-operation and mutual understanding between the University and the Colleges if a spirit of harmony is to prevail.

My honourable Friend Mr CHEN questioned the appropriateness of the reference in the Preamble to the bill to "student-orientated teaching". This has been included because the role of the Colleges in providing for student-orientated teaching was a vital part of the new arrangements envisaged in the Fulton Report. I do not think this reference will prove to be restrictive to future development, as it is left to the University and the Colleges to interpret how this aim should be carried out. Regarding cost implications, while I would agree with Mr LI that adequate teaching strength should be given to the Colleges in order to enable them to conduct student-orientated teaching properly, the University and Polytechnic Grants Committee will doubtless take note of the following statement from paragraph 62 of the Fulton Report:

"We do not believe that an improvement in what is, by international standards, already a favourable staff/student ratio could be justified as a condition of the adoption of the arrangement we propose".

My honourable Friends Dr CHUNG, Miss KO and Miss BENNETT have commented on the inter-related questions of a common matriculation examination for all university entrants and the length of the main undergraduate course at the Chinese University. I take note of the

advantages which my honourable Friends have expounded. These are proposals which, if the Governor-in-Council so advises, could be put to UPGC to examine, in consultation with the Chinese University.

MR LO:—Sir, may I also rise though not to discuss the erudite issues involved but merely to declare interest and to say that I shall not vote on this bill.

HIS EXCELLENCY THE PRESIDENT:—I am much obliged.

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).

BUILDINGS (AMENDMENT) BILL 1976

Resumption of debate on second reading (24th November 1976)

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).

STAMP (AMENDMENT) (NO 3) BILL 1976

Resumption of debate on second reading (24th November 1976)

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).

ARMY LEGAL SERVICES (AMENDMENT) BILL 1976**Resumption of debate on second reading (24th November 1976)**

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.

CRIMINAL PROCEDURE (AMENDMENT) (NO 2) BILL 1976

Clauses 1 and 2 were agreed to.

BUILDINGS (AMENDMENT) BILL 1976

Clauses 1 and 2 were agreed to.

STAMP (AMENDMENT) (NO 3) BILL 1976

Clauses 1 and 2 were agreed to.

ARMY LEGAL SERVICES (AMENDMENT) BILL 1976

Clauses 1 to 4 were agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

Criminal Procedure (Amendment) (No 2) Bill

Buildings (Amendment) Bill

Stamp (Amendment) (No 3) Bill

Army Legal Services (Amendment) Bill

had passed through Committee without amendment, and moved the third reading of each of the 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 Wednesday the 22nd of December.

Adjourned accordingly at eleven minutes to five o'clock.

