

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 10 March 1982****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR CRAWFORD MURRAY MACLEHOSE, G.B.E., K.C.M.G., K.C.V.O.

THE HONOURABLE THE CHIEF SECRETARY
SIR CHARLES PHILIP HADDON-CAVE, K.B.E., C.M.G., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY (*Acting*)
MR. HENRY CHING, C.B.E., J.P.

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

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

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

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

THE HONOURABLE DAVID WYLIE McDONALD, C.M.G. J.P.
SECRETARY FOR LANDS AND WORKS

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

THE HONOURABLE ALAN JAMES SCOTT, C.B.E., J.P.
SECRETARY FOR TRANSPORT

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

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

THE HONOURABLE JOHN MARTIN ROWLANDS, C.B.E., J.P.
SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE JAMES NEIL HENDERSON, J.P.
COMMISSIONER FOR LABOUR

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

THE HONOURABLE WILLIAM DORWARD, O.B.E., J.P.
DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS

THE HONOURABLE JOHN MORRISON RIDDELL-SWAN, O.B.E., J.P.
DIRECTOR OF AGRICULTURE AND FISHERIES

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

THE HONOURABLE GRAHAM BARNES, J.P.
REGIONAL SECRETARY (HONG KONG AND KOWLOON), CITY AND NEW TERRITORIES
ADMINISTRATION

THE HONOURABLE SELWYN EUGENE ALLEYNE, J.P.
DIRECTOR OF SOCIAL WELFARE

THE HONOURABLE IAN FRANCIS CLUNY MACPHERSON, J.P.
REGIONAL SECRETARY (NEW TERRITORIES), CITY AND NEW TERRITORIES
ADMINISTRATION

THE HONOURABLE MICHAEL LEUNG MAN-KIN, J.P.
DIRECTOR OF EDUCATION (*Acting*)

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

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

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

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

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

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

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

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

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

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

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

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

DR. THE HONOURABLE HO KAM-FAI, O.B.E., J.P.

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

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

THE HONOURABLE HU FA-KUANG, J.P.

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

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, J.P.

THE HONOURABLE CHAN KAM-CHUEN, J.P.

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

THE HONOURABLE CHEUNG YAN-LUNG, M.B.E., J.P.

THE HONOURABLE MRS. SELINA CHOW LIANG SHUK-YEE, J.P.

THE HONOURABLE MARIA TAM WAI-CHU

ABSENT

THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.
SECRETARY FOR ECONOMIC SERVICES

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

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

THE HONOURABLE DAVID KENNEDY NEWBIGGING, O.B.E., J.P.

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

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MRS. JENNIE CHOK PANG YUEN-YEE

Papers

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

<i>Subject</i>	<i>L.N. No.</i>
Subsidiary Legislation:	
Public Revenue Protection Ordinance. Public Revenue Protection (Inland Revenue) Order 1982	57
Water Pollution Control Ordinance. Water Pollution Control (Tolo Harbour and Channel Water Control Zone) Order 1982	58
Boilers and Pressure Receivers Ordinance. Boilers and Pressure Receivers (Exemption) (Consolidation) (Amendment) (No. 2) Order 1981	59
Boilers and Pressure Receivers Ordinance. Boilers and Pressure Receivers (Exemption) (Consolidation) (Amendment) (No. 1) Order 1982	60
Boilers and Pressure Receivers Ordinance. Boilers and Pressure Receivers (Exemption) (Consolidation) (Amendment) (No. 2) Order 1982	61
Evidence Ordinance. Evidence (Authorized Persons) (No. 2) Order 1982	62
Public Health and Urban Services Ordinance. Public Health and Urban Services (Public Markets) (Designation and Amendment of Tenth Schedule) Order 1982	63
Public Health and Urban Services Ordinance. Declaration of Markets in the New Territories	64
Vocational Training Council Ordinance 1982. Vocational Training Council Ordinance 1982 (Commencement) Notice 1982	65
Termination of Pregnancy (Amendment) Regulations 1982. Corrigendum	66
Census and Statistics Ordinance. Census and Statistics (Annual Survey of Building, Construction and Real Estate Sectors) Order 1982	67
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Census and Statistics Ordinance. Census and Statistics (Survey of Transport and Related Services for 1981) Order 1982	70
Census and Statistics Ordinance. Census and Statistics (Survey of Imports and Exports of Services for 1981) Order 1982	71
Census and Statistics Ordinance. Census and Statistics (Survey of Banks, Deposit-Taking Companies and Representative Offices of Foreign Banks for 1981) Order 1982	72
Interpretation and General Clauses Ordinance. Specification of Public Officers (No. 2) Order 1982	73

Sessional Papers 1981-82:

No. 44—Television Advisory Board Hong Kong—8th Report

Oral answers to questions

Defederalization of the Public Works Department and establishment of the Lands Department

1. MISS DUNN asked:—*Sir, what is the progress in implementing the defederalization of the Public Works Department and in establishing a new Lands Department and what will be the working relationships among the new P.W.D. Departments themselves and between these Departments and the Lands and Works Branch?*

THE CHIEF SECRETARY:—Taking each of Miss DUNN's three questions in turn, Sir, and beginning with the defederalization of the Public Works Department as such: this will be completed by 1 April next. From that date, five separate departments will come into being. These departments will be the Building Development Department; the Engineering Development Department (less the Traffic and Transport Branch of the Highways Office which is to be transferred to the Transport Department); the New Territories Development Department; the Water Supplies Department; and the new Lands Department. Later on this year, a new Electrical and Mechanical Services Department will be formed by hiving off the Electrical and Mechanical Office from the Engineering Development Department; and ultimately the Urban Area Development Organization will be hived off and converted into another separate department analogous to the New Territories Development Department. The Urban Area Development

Organization presently is located, as a matter of administrative convenience, within the Lands and Works Branch of the Government Secretariat.

Turning now secondly to the setting up of the new Lands Department. The establishment of posts for the department will be made up of posts transferred from the existing Lands, Survey and Town Planning Department, the City and New Territories Administration and the Lands and Works Branch. When the Lands and Works Branch was set up on 1 September 1981 it took over the Lands Division of the old Environment Branch which handled some tasks of an executive nature. These are more properly the responsibility of a department rather than a policy branch of the Government Secretariat. So, with effect from 1 April next, the Lands Division of the Lands and Works Branch will be concerned with land policy questions only, including long term strategic planning. The only new post created so far for the new Lands Department is the post of Director of Lands, but Finance Committee's authority for about a dozen additional posts at directorate level will be sought in the near future. Later on, it is hoped that some existing professional and technical level posts can be deleted, for the establishment of the new Lands Department has been developed from a zero base. Not surprisingly, therefore, some existing posts can be dispensed with which will represent an offset to the cost of the few additional posts to be created.

Finally, as regards the working relationships envisaged between the several separate departments within the lands and works group: these will be similar to those developed over the years between the departments of the federalized Public Works Department. However, in future, the co-ordinating agency will be the Secretary for Lands and Works, working through the Lands and Works Branch of the Government Secretariat, rather than the Director of Public Works, working through Public Works Department Headquarters. The existing network of inter-departmental administrative committees will have to be somewhat restructured to reflect the new arrangements and this will be completed as soon as possible.

I should perhaps add, Sir, for the record that, although the Lands and Works Branch, will function as an ordinary policy branch within the Government Secretariat, it will also have to perform certain residual functions previously undertaken by Public Works Department Headquarters, such as the formulation and review of technical standards, professional and technical training, the assessment and grading of contractors, public relations and the monitoring of progress on the Public Works Programme as a whole.

MISS DUNN:—*How is the Lands Department to be organized on the ground?*

THE CHIEF SECRETARY:—Well, Sir, at district level the new Lands Department will have the advantage of having been planned from the outset on the basis of the District Administration Scheme, whereas the remainder of the Works

Departments are having to reorganize themselves taking into account that Scheme. Briefly, the Department will be organized on a district basis with the work being undertaken by teams responsible respectively for the disposal, management and acquisition of land within their districts. Each district will be headed by a District Land Officer who will be able to call upon the services of District Land Surveyors and solicitors from the Registrar General's Department stationed in the district. District Boards and District Management Committees will have on them representatives from the Lands Department as well as from the New Territories Development or the Urban Area Development Organization respectively, who will be responsible both for action planning for the district and for liaison with the Works Departments.

MISS DUNN:—*Sir, is it expected that the new defederalized departments will be able to respond more speedily to private sector developments?*

THE CHIEF SECRETARY:—That's a very clever question, Sir, because it implies we haven't responded to private sector needs in the past with the speed that Miss DUNN would wish. However, I would hope that in the future our response would be no less satisfactory (*laughter*).

N.T. District Board elections

2. MR. SO asked in Cantonese:—

政府對於三月四日新界區議會選舉的公眾反應，是否感到滿意？稍後可否將所得經驗向本局提交報告，以便九月舉行的市民區選舉借鏡？

(The following is the interpretation of what Mr. So asked.)

Is Government satisfied with the public response to the N.T. District Board elections held on 4 March and may a report be made to this Council in due course of experience gained from the exercise which may be relevant to the Urban Area elections scheduled for September?

SECRETARY FOR CITY AND NEW TERRITORIES ADMINISTRATION:—Sir, approximately 97 000 people, representing over 51% of the registered voters in the N.T., voted in the New Territories District Board elections on 4 March. This response was highly satisfactory and is a clear demonstration of the keen public interest there is in participating in district administration and management.

Sir, I do not believe a separate report need be made to this Council as to how we apply the experience gained in the New Territories during the Urban Area elections since after all the first stage of preparing for these elections begins next week with the registration of voters from 19 March to 30 April. In general all the formal procedures worked remarkably well and the results indicate that by and large the Government and public effort in ensuring that the elections were

successful was correctly pitched. Indeed, I should like to place on record my thanks to all those who helped achieve this. With regard to detail, I will of course look at our procedures to see if any changes are necessary and will arrange to brief the Unofficial Members of this Council separately if so wished.

Registration of medical practitioners in Hong Kong

3. MR. LO asked:—*Why are doctors qualified to practise in highly developed countries like the U.S.A. prohibited by law from practising here in Hong Kong; and, what are the effects of this prohibition medically and economically?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, to do full justice to Mr. LO's question, I shall first have to clarify the present provisions of the Medical Registration Ordinance in regard to the registration of medical practitioners in Hong Kong.

At present there are three categories of medical practitioners who are entitled to be placed on the register, viz:

- (a) any person who holds a Colony diploma, i.e., the degree of Bachelor of Medicine and Bachelor of Surgery (M.B.B.S.) of the Hong Kong University;
- (b) any person who holds a qualification or degree recognized by the General Medical Council (G.M.C.) of the United Kingdom; and
- (c) any licentiate of the Medical Council of Hong Kong.

It will be seen that the intention of the law is that any person who is to be placed on the local medical practitioners register must be one who has undergone assessment in regard to his training and experience which is inherent in the qualifications of the three categories of medical practitioners that I have just mentioned. I might add that such assessment, particularly as in the cases of categories (b) and (c), is a normal and basis requirement by all medical registration authorities in other countries to ensure a reasonable standard of training and practice for medical practitioners in the interests of their own communities.

It follows that any person, besides category (a), i.e. holders of the M.B.B.S. (H.K.) degree, irrespective of where he is medically qualified, could also be placed on the register locally if he could satisfy any one of the two other authorities, viz., the G.M.C. of U.K. or the Licentiate Committee of the Hong Kong Medical Council. Therefore, there is no prohibition in the present law for a doctor who is qualified in other countries, including the U.S.A. and other developed countries to practise locally, provided that he is also qualified, willing and able to go through the assessment systems inherent in categories (b) and (c). Thus, over the past 40 years or so, among the medical practitioners in Hong Kong, are 174 holders of U.S. and Canadian qualifications who have been placed on the local medical register by virtue of their G.M.C. registrations.

On the other hand, it also follows that the Medical Council at the moment has no discretion to consider and place on the register, straightaway, holders of diplomas (or what is commonly known as foreign diplomas) other than the three categories mentioned.

Thus, in regard to the second part of Mr. LO's question, bearing in mind that there has been no prohibition of diploma holders from the U.S.A. and other developed countries, it is difficult to assess accurately the medical and economical effects of our present provisions. Perhaps some idea may be gleaned from the fact that there have only been nine enquiries made to the Medical Council by holders of U.S. or Canadian qualifications who are desirous of residing and practising in Hong Kong since the beginning of last year. The effects of this number of persons in the overall context of Hong Kong, assuming that all are fit to be placed straightaway on the local register, do not appear great.

However, Mr. LO may be glad to hear that proposals for amending the Medical Registration Ordinance which, inter alia, include a provision to allow the Medical Council of Hong Kong the discretion to consider and assess directly qualified foreign diploma holders, are in an advanced stage of preparation, and these proposals are likely to be submitted to Your Excellency in Council for consideration shortly.

MR. LO:—*Sir, as regards the penultimate paragraph of Dr. Thong's answer, does the Government agree that the number of enquiries received is merely a guide to the number of doctors ignorant of our arrangements here, and not to the number who would like to practise here under different arrangements?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, it is difficult to say exactly how many doctors holding foreign diplomas are qualified or fit to practise locally without assessment, and if so whether they are desirous of coming to Hong Kong and practising locally. So a direct answer to Mr. LO's question is that there is no accurate assessment that I could give to him.

MR. LO:—*Going down the line to the final paragraph of Dr. Thong's answer, will the Government ensure that in the exercise of the discretion referred to there, the views and the interests of the wider public as opposed to the views and the interests of the medical profession will not be forgotten?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, Government will certainly take into consideration Mr. LO's point and will try its very best to see that in the exercise of the power of discretion, if approved, that fairness to all interested parties and especially the public interest is catered for.

MR. LO:—*Will the Government accept my gratitude?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Yes, Sir (*laughter*).

REVD. JOYCE M. BENNETT:—*Sir, what stimulus is given to Australian doctors to practise in Hong Kong as I understand there is an over-supply of doctors there?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—*Could Miss BENNETT please repeat the question?*

REVD. JOYCE M. BENNETT:—*What stimulus is given to Australian doctors to practise in Hong Kong as I understand there is an over-supply of doctors in Australia?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—*Sir, the natural stimulus is that Hong Kong is a very dynamic society and that most doctors would like to come here and practise.*

Principal and Senior Assistant Master ranks for primary schools

4. REVD. JOYCE M. BENNETT asked:—*Following the implementation of the relevant recommendation of the White Paper on Primary Education and Pre-Primary Services in Government primary schools,*

- (a) when will the Principal Assistant Master rank be created for heads of aided primary schools with 24 classes or more; and*
- (b) when will the Senior Assistant Master rank be available for heads of aided primary schools with 17-23 classes?*

DIRECTOR OF EDUCATION:—*Sir, the provision of Principal Assistant Master and Senior Assistant Master posts for heads of aided primary schools will be implemented as soon as the financial commitment has been approved by Finance Committee. I understand that this proposal will be put to Finance Committee at its next regular meeting.*

REVD. JOYCE M. BENNETT:—*Sir, when did Government teachers gain these improved conditions?*

DIRECTOR OF EDUCATION:—*Sir, the relevant ranks in the Government sector were created on 11 February 1981.*

REVD. JOYCE M. BENNETT:—*Sir, why then has it taken so long for the proposals to reach Finance Committee for the aided schools?*

DIRECTOR OF EDUCATION:—*Sir, the creation of the ranks and the posts in the aided sector involves a revised system of allowances to heads of aided primary schools. These allowances are to take into account the responsibility of the heads concerned for those heads who are not yet qualified for promotion. These allowances were revised last year and promotion proposal was made to the*

Secretariat as early as April 1981. However, there have been discussions and debates on the revised allowances since then. It was only until recently that we agreed the allowances proposed.

REVD. JOYCE M. BENNETT:—*Sir, why did these discussions not take place when the White Paper on Primary Education and Pre-primary Services was taking place?*

DIRECTOR OF EDUCATION:—*Sir, the reason is because we cannot pre-empt Finance Committee's approval and decision on the new ranks for the Government sector. These ranks were approved in February last year. It was only after that was approved that we can start revising the allowances for the aided sector.*

Customer Relations Unit in Queen Elizabeth Hospital

5. DR. HO asked:—*Will Government make a statement on the success or otherwise of the 6-month pilot Customer Relations Unit project in Queen Elizabeth Hospital?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—*Sir, the Customer Relations Project commenced operations in Queen Elizabeth Hospital on 1 June 1981.*

The project was started with the primary aim of rendering assistance to patients and their relatives to obtain available services in the hospital promptly and to explain hospital procedures and other activities within a hospital to them so as to avoid unnecessary misunderstanding and disputes. Also, it should relieve professional staff from involving themselves in non-professional matters.

In the first six months of its operation, it is clear that, by and large, the basis objectives have been attained.

The patients and their relatives, in particular, have benefited much from the direct contact with someone who could give clear explanations about hospital procedures and service on the spot which at times appear to them to be cumbersome and complicated and have also saved unnecessary concern about the conditions of patients and their treatment.

In regard to the benefit to the staff, the scheme has reduced substantially the time formerly spent by professional staff on patient relation matters, thus allowing them to concentrate on patient care.

The Unit has also effectively dealt with education and publicity on hospital procedures and its activities.

During the period under review, it dealt with 79 complaints and 3 120 enquiries. The project and its structure are now being appraised in detail with a view to arriving at a decision on the long term future of its role.

DR. HO:—*Sir, the project is apparently a successful one according to the reply. Can the Director of Medical and Health Services tell this Council some of the key recommendations of the review?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—*Sir, the Departmental report in fact has just been completed and is now being studied both within the Department and by other relevant departments and policy branches. At this point in time I am unable to tell Dr. Ho about the details but certainly when the details have been assessed and the project found useful and acceptable to Government, this will be extended to other hospitals.*

Junior Secondary Education Assessment System

6. MR. SO asked in Cantonese:—

初中成績評核辦法自法年九月實施以來，政府曾否作出評估？若然，可否向本局提交評估報告？

(The following is the interpretation of what Mr. So asked.)

Has Government made any assessment of the Junior Secondary Education Assessment system since its inception in September last year and, if so, may a report be made to this Council?

DIRECTOR OF EDUCATION:—*Sir, the Education Department has made an assessment of the first Junior Secondary Education Assessment. As Members are aware, the present system was introduced in 1980-81, after lengthy consultation and public debate, as a replacement for the original proposal which was for a public examination. The main objective of the J.S.E.A. system is to select a proportion of the Form III pupils in the fairest possible way and to allocate them to the available aided Form IV places with the least disruption and inconvenience possible.*

The findings of this first assessment indicate that this main objective has been achieved. For the 1981 J.S.E.A., a total of 92980 entries were received from Form III pupils. Of these, 52 521 pupils were allocated aided Form IV places, while 1 052 were given places in full-time craft courses in the Technical Institutes. The former group represented 58.6% of the net entries after withdrawals and the successful Technical Institute applicants were excluded. Of the pupils allocated Form IV places, 80% were allocated places within their own schools. The full report on the 1981 J.S.E.A. is now being printed and will be issued to all participating schools next month. Copies of this report will of course be available to any Member of this Council who wishes to have one.

REVD. JOYCE M. BENNETT:—*Sir, with reference to the fourth line of the second paragraph of this answer, could the word 'aided' be defined? Does it mean the aided sector or the public sector?*

DIRECTOR OF EDUCATION:—Sir, the aided places in this context include both the public sector which includes the aided places, as well as include the private bought places scheme.

MRS. CHOW:—*Sir, is Government satisfied that the system is not creating unnecessary pressure on Form III pupils which could otherwise be avoided with internal assessment and persuasion within schools?*

DIRECTOR OF EDUCATION:—Sir, the effects of the first assessment are being analysed very carefully. The amount of pressure on students is certainly a factor which we will take fully into account. However, I think many parents and schools do not understand that the J.S.E.A. is not an examination; it is only a scaling test and the results are based on the internal assessment of schools themselves. Therefore, I think we feel that if publicity is given more to this assessment the need for such fears will have been reduced. Nevertheless we are analysing the results very carefully in the context of this report.

REVD. JOYCE M. BENNETT:—*Sir, can you explain why there are now empty seats in Form IV in some Government and aided schools?*

DIRECTOR OF EDUCATION:—Sir, I am not aware of the number of empty places in Government aided schools. There might be cases where a class is not full but the statistics have yet to be provided.

REVD. JOYCE M. BENNETT:—*Sir, since 80% of these students were allocated back to their own schools, is it not possible to allow those schools to continue the previous policy of promoting their own students and taking into Form IV enough students to fill their places?*

DIRECTOR OF EDUCATION:—Sir, I think the allocation system takes fully into account the needs of the students concerned to provide for education beyond Form III within their own schools. However, one of the main criteria for allocating students for Form IV places is to take into account the parents' own choice, so in this case the parents' choice does matter a lot to the allocation of students in the selection process.

Statement

Census and Statistics Ordinance

Census and Statistics (Survey of Transport and Related Services for 1981) Order 1982

Census and Statistics (Survey of Imports and Exports of Services for 1981) Order 1982

Census and Statistics (Survey of Banks, Deposit-Taking Companies and Representatives Offices of Foreign Banks for 1981) Order 1982**Census and Statistics (Annual Survey of Building, Construction and Real Estate Sectors) Order 1982****Census and Statistics (Quarterly Survey of Construction Output) Order 1982****Census and Statistics (Quarterly Survey of Employment, Vacancies and Payroll) Order 1982**

THE FINANCIAL SECRETARY:—

Introduction

Sir, an undertaking has been given to make a statement each year when Orders for statistical surveys are laid on the table of this Council.

On the advice of the Statistics Advisory Board, the Commissioner for Census and Statistics has sought for 1982 six Orders under the Census and Statistics Ordinance. All the surveys covered by these Orders form part of the long term programme of economic surveys to provide information on the structural characteristics of the main sectors of the economy and to enable the Government to monitor their performance over time.

In implementing this programme, the Commissioner usually seeks specific Orders for each survey on an annual basis until he is satisfied that he has got the details of the survey right. He then seeks Orders to establish the survey on a permanent basis.

Specific Survey Orders

This year, three of the Orders are specifically for data in respect of 1981 only.

The *first* is an Order for a *benchmark survey of transport and related services*, following an investigatory survey in 1981. This is the only major sector remaining to be covered by a benchmark survey. A sample of 10 000 establishments out of a total of 35 000 will be covered.

The *second* is an Order covering the fourth *annual survey of imports and exports of services* to collect information essential for estimating the Gross Domestic Product. The coverage and content of the survey will be the same as that of last year, but a specific rather than a permanent Order is required because it may be necessary to introduce changes to the survey. About 1 750 establishments will be covered, and this should adequately represent the relevant business.

The *third* is an Order for the second round of the *survey of banks, deposit-taking companies and representative offices of foreign banks*. This survey also involves data that is used in estimating the Gross Domestic Product. Once the

results are available the Commissioner will assess the importance of the different items of data collected and design a permanent survey. All establishments, currently about 600, will be enumerated.

Permanent Survey Orders

The remaining three Orders are to establish permanent surveys that have so far been conducted on a specific basis.

Two of them are required for *annual surveys of the building, construction and real estate sectors and quarterly surveys of construction output*. Now that the first benchmark survey of the building, construction and real estate sectors has been completed, the Commissioner can undertake simplified, annual follow-up surveys. The quarterly surveys are to monitor short-term fluctuations in construction activity, using a simple questionnaire. The data will provide the basis for estimating a quarterly index of construction output. For the 1982 annual survey, the Commissioner will cover a sample of about 7 500 contractors and property developers. For the quarterly surveys he will use a sample of about 2 000 contractors. He will distinguish between building and civil engineering projects.

The *third* permanent Order covers the *quarterly surveys of employment and vacancies* which have been conducted now for many years. Recently the surveys were extended to include payroll data. The Commissioner now considers the new coverage and content of the surveys are satisfactory, hence his request for a permanent Order. The number of establishments to be enumerated will vary from quarter to quarter, ranging between about 120 000 in the second quarter and 70 000 in the fourth.

Government business

Motions

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

THE CHIEF SECRETARY moved the following motion:—That on 1 April 1982—

1. (a) The functions exercisable by the Director of Public Works by virtue of the provisions specified in the second column of the First Schedule of the Ordinances specified in the first column of that Schedule be transferred to the public officer respectively specified in relation thereto in the third column of that schedule.
- (b) The Ordinances specified in the first column of the First Schedule be amended, in the provisions thereof specified in the second column of that Schedule, by deleting 'Director of Public Works' wherever occurring and substituting the title specified in relation thereto in the third column of that Schedule.

- (c) The Ordinances specified in the first column of the Second Schedule be amended, in the provisions thereof specified in the second column of that Schedule, by deleting 'Public Works Department' wherever occurring and substituting the expression specified in relation thereto in the third column of that Schedule.
 - (d) The Ordinances specified in the first column of the Third Schedule be amended, in the provisions thereof specified in the second column of that Schedule, by deleting 'Director' wherever occurring and substituting the title specified in relation thereto in the third column of that Schedule.
 2.
 - (a) The functions exercisable by the Secretary for City and New Territories Administration by virtue of the provisions specified in the second column of the Fourth Schedule of the Ordinances specified in the first column of that Schedule be transferred to the Director of Lands.
 - (b) The Ordinances specified in the first column of the Fourth Schedule be amended, in the provisions thereof specified in the second column of that Schedule, by deleting 'Secretary for City and New Territories Administration' wherever occurring and substituting the following—
 'Director of Lands'.
 3.
 - (a) The functions exercisable by the Secretary for Lands and Works by virtue of the provisions specified in the second column of the Fifth Schedule of the Ordinance specified in the first column of that Schedule be transferred to the Director of Lands.
 - (b) The Ordinance specified in the first column of the Fifth Schedule be amended, in the provisions thereof specified in the second column of that Schedule, by deleting 'Secretary for Lands and Works' wherever occurring and substituting the following—
 'Director of Lands'.
 4. The functions exercisable by the Director of Lands, Survey and Town Planning by virtue of any Ordinance be transferred to the Director of Lands.
 5.
 - (a) The functions exercisable by the Secretary for City and New Territories Administration by virtue of the provisions specified in the second column of the Sixth Schedule of the Ordinance specified in the first column of that Schedule be transferred to the Registrar General in his capacity as Land Officer.
 - (b) The Ordinance specified in the first column of the Sixth Schedule be amended, in the provisions thereof specified in the second column of that Schedule, by deleting 'Secretary for City and New Territories Administration' and substituting the following—
 'Land Officer'.

6. (a) The functions exercisable by a District Officer by virtue of the provisions specified in the second column of the Seventh Schedule of the Ordinance specified in the first column of that Schedule be transferred to the Director of Lands.
- (b) Rule 2 of the Duplicate Permits and Licences (New Territories) Rules, (Chapter 97, subsidiary legislation) be amended—
 - (i) by inserting after ‘any District Officer’ where it first appears the following—
‘or the Director of Lands’; and
 - (ii) by deleting ‘any District Officer’, where it appears for the second time, and substituting the following—
‘the Director of Lands’.
7. (a) The functions exercisable by a District Officer by virtue of the provisions specified in the second column of the Eighth Schedule of the Ordinance specified in the first column of that Schedule be transferred to the Registrar General in his capacity as Land Officer.
- (b) The Land Registration (New Territories) Fees Regulations, (Chapter 128, subsidiary legislation) be amended—
 - (i) in regulation 3 by deleting ‘A District Officer’ and substituting the following—
‘The Land Officer’; and
 - (ii) in items 3, 4 and 5 of the Schedule by deleting ‘the District Officer’ wherever appearing and substituting in each case the following—
‘the Land Officer’.
8. (a) The functions exercisable by the Secretary for City and New Territories Administration under the Emergency (Requisition) Regulations (Chapter 241, subsidiary legislation) be transferred to the Secretary for Lands and Works.
- (b) The Schedule to the Emergency (Requisition) Regulations (Chapter 241, subsidiary legislation) be amended by deleting ‘Secretary for City and New Territories Administration’ and substituting the following—
‘Secretary for Lands and Works’.
9. References herein to an Ordinance be construed as including references to any subsidiary legislation made under that Ordinance.
10. Any Crown lease or other instrument or contract affecting or relating to any land in the New Territories be construed, as respects any function exercisable in respect thereof by the Secretary for City and New Territories Administration, and have effect as from 1 April 1982 as if for any reference therein to the Secretary for City and New Territories Administration there were substituted a reference to the Director of Lands.

FIRST SCHEDULE		[para. 1(a)]
<i>Enactment</i>	<i>Provision</i>	<i>Public Officer/title to be substituted</i>
Evidence Ordinance (Chapter 8)	Section 28(1)(b)(i)	Director of Engineering Development
Land Tribunal Rules (Chapter 17, subsidiary legislation)	Rule 41(2) and (3)	Director of Building Development
	Rules 44(1)(b) and 45(1)(b) Schedule—5	Director of Lands
	Form 5	Director of Engineering Development
	Form 7	Director of Building Development
	Form 8	Director of Building Development
	Form 9 Form 10 Form 11	Director of Lands Director of Lands Director of Building Development
Crown Land Ordinance (Chapter 28)	Schedule (except in reference to section 8(2) and (3) regarding the New Territories, except New Kowloon)	Director of Lands
	Schedule (in reference to section 8(2) and (3) regarding the New Territories, except New Kowloon)	Director of Engineering Development
Crown Leases Ordinance (Chapter 40)	Section 2	Director of Lands
Port Control (Cargo Working Areas) Ordinance (Chapter 81)	Section 3(2)	Director of Lands
Waterworks Ordinance (Chapter 102)	Section 2	Director of Water Supplies

<i>Enactment</i>	<i>Provision</i>	<i>Public Officer/title to be substituted</i>
Electricity Supply Regulations (Chapter 103, subsidiary legislation)	Regulations 2(c), 7, 8, 12, 13(1), 13(8), 13(9), 13(14)(I)(b), 13(14)(II)(a)(iii), 13(14)(II)(b)(ii), 13(16), 13(18)(a)(iii), 13(18)(b)(iii), 21, 24, 32(1), 38 and 39(16). Regulation 13(13)	Director of Engineering Development Director of Engineering Development
Ferries Regulations (Chapter 104, subsidiary legislation)	Regulation 52(1)	Director of Engineering Development
Excluded Ferries (Ma On Shan and Ma Liu Shui) Regulations (Chapter 104, subsidiary legislation)	Regulation 2(b)	Director of Engineering Development
Excluded Ferries (Passenger Ferry Service Across Tsau Wan) Regulations (Chapter 104, subsidiary legislation)	Regulation 2(b) and (e)	Director of Engineering Development
Excluded Ferries (Passenger Ferry Service between Hong Kong Central District and Mei Foo Sun Chuen) Regulations (Chapter 104, subsidiary legislation)	Regulation 2(b) and (e)	Director of Engineering Development
Excluded Ferries (Hong Kong – Tsuen Wan - Tsing Yi) Regulations (Chapter 104, subsidiary legislation)	Regulation 2(b) and (e)	Director of Engineering Development

<i>Enactment</i>	<i>Provision</i>	<i>Public Officer/title to be substituted</i>
Public Lighting Ordinance (Chapter 105)	Sections 2 and 3	Director of Engineering Development
Telecommunication Ordinance (Chapter 106)	Sections 14(1)(a) and 14(3)(b)	Director of Lands
Tramway Ordinance (Chapter 107)	Section 2	Director of Engineering Development
	Sections 25 and 33	Director of Engineering Development
Public Reclamations and Works Ordinance (Chapter 113)	Sections 2(2)(b), 3(1)(a) and 3(3)(a)	Director of Lands
Crown Lease (Pok Fu Lam) Ordinance (Chapter 118)	Section 2	Director of Lands
Buildings Ordinance (Chapter 123)	Sections 2(1), 2(2), 18(1)(ii), 18(3), Second Schedule.	Director of Building Development
Crown Rent and Premium (Apportionment) Ordinance (Chapter 125)	Sections 10(2), 14A(2) and 23(4)(a)	Director of Lands
Foreshores and Sea Bed Ordinance (Chapter 127)	Sections 4(2)(b), 5(1), 6, 7(1), 7(2) and 7(3)(a)	Director of Lands
Streets (Alteration) Ordinance (Chapter 130)	Section 2 and Schedule	Secretary for Lands and Works
Town Planning Regulations (Chapter 131, subsidiary legislation)	Regulations 2(1) and 2(2)	Director of Lands
Public Health and Urban Services Ordinance (Chapter 132)	Section 27(6)(b)	Director of Building Development
	Sections 105A(3) and 105M(3)	Director of Lands
	Section 111A	Director of Engineering Development

<i>Enactment</i>	<i>Provision</i>	<i>Public Officer/title to be substituted</i>
	Third Schedule in relation to Urban Areas and other than under sections 106 (3) and (4), 114(1) and (2)	Director of Engineering Development
	Third Schedule in relation to Urban Areas and under sections 106(3) and (4), 114(1) and (2)	Director of Lands
	Third Schedule in relation to the New Territories (excluding New Kowloon)	Director of Engineering Development
	Sixth Schedule	Director of Engineering Development
Advertisement By-laws (Chapter 132, subsidiary legislation)	By-law 1(1)	Director of Lands
Public Market By-laws (Chapter 132, subsidiary legislation)	By-laws 7(2)(a) and (b), 7(3)	Director of Building Development
Public Market (New Territories) Regulations (Chapter 132, subsidiary legislation)	Regulations 7(2)(a) and (b), 7(3)	Director of Building Development
Slaughter-houses (New Territories) Regulations (Chapter 132, subsidiary legislation)	Regulation 22(d)	Director of Building Development
Sand Ordinance (Chapter 147)	Sections 2(1) and (2), 3(1) and (4)	Director of Engineering Development
Places of Public Entertainment Ordinance (Chapter 172)	Section 2	Director of Building Development

<i>Enactment</i>	<i>Provision</i>	<i>Public Officer/title to be substituted</i>
Air Armament Practice Ordinance (Chapter 194)	Second Schedule	Secretary for Lands and Works Director of Lands
Defences (Firing Areas) Ordinance (Chapter 196)	Second Schedule	Secretary for Lands and Works Director of Lands
Cross-Harbour Tunnel Ordinance (Chapter 203)	Section 2	Director of Engineering Development
Country Parks Ordinance (Chapter 208)	Section 16(7)(b)	Director of Lands
Aerial Ropeways (Safety) Ordinance (Chapter 211)	Section 2	Director of Engineering Development
Metrication Amendments (Places of Public Entertainment Regulations) Order (Chapter 214, subsidiary legislation)	paragraph 6	Director of Building Development
Road Traffic Ordinance (Chapter 220)	Section 7A(1), (2) and (3)	Director of Engineering Development
Road Traffic (Lighting and Guarding of Road Works) Regulations (Chapter 220, subsidiary legislation)	Regulation 2	Director of Engineering Development
Road Traffic (Road Crossing) Regulations (Chapter 220, subsidiary legislation)	Regulation 2	Director of Engineering Development
Summary Offences Ordinance (Chapter 228)	Sections 13(6)(a), 13A(a), 37(c), 38(1) and (2)	Director of Engineering Development
Summary Offences (Permitted Work) Regulations (Chapter 228, subsidiary legislation)	Regulation 2	Director of Engineering Development

<i>Enactment</i>	<i>Provision</i>	<i>Public Officer/title to be substituted</i>
Emergency (Requisition) Regulations (Chapter 241, subsidiary legislation)	Schedule	Secretary for Lands and Works
Child Care Centres Ordinance (Chapter 243)	Section 7(1)(b)	Director of Building Development
Child Care Centres Regulations (Chapter 243, subsidiary legislation)	Regulations 23(1)(b), 23(2) and 24(2)(b)	Director of Building Development
Oil Pollution (Land Use and Requisition) Ordinance (Chapter 247)	Section 2	Director of Engineering Development
Peak Tramway Ordinance (Chapter 265)	Sections 2 and 14	Director of Engineering Development
Peak Tramway Rules (Chapter 265, subsidiary legislation)	Rule 22	Director of Engineering Development
Hong Kong and Yaumati Ferry Company (Services) Ordinance (Chapter 266)	Section 4A and Schedule (paragraphs 3(a), 15 and 16)	Director of Engineering Development
Telephone Ordinance (Chapter 269)	Section 2	Director of Engineering Development
	Section 12	Director of Building Development
‘Star’ Ferry Company (Services) Ordinance (Chapter 274)	Section 4A and Schedule (paragraphs 2(1), 11 and 12(1))	Director of Engineering Development
Mass Transit Railway (Land Resumption and Related Provisions) Ordinance (Chapter 276)	Sections 2, 3(1), (2), (3) and (4), 10(2), 29(1), (2) and (3)	Director of Engineering Development
Education Ordinance (Chapter 279)	Sections 12(3) and 12(5)(c)	Director of Building Development

<i>Enactment</i>	<i>Provision</i>	<i>Public Officer/title to be substituted</i>
Education Regulations (Chapter 279, subsidiary legislation)	Regulation 14	Director of Building Development
Housing Ordinance (Chapter 283)	Sections 25A(1) and 30(1)(g)	Director of Engineering Development
Housing (Traffic) By-laws (Chapter 283, subsidiary legislation)	By-laws 3, 4, 5(4) and 6(1)	Director of Engineering Development
Mining Ordinance (Chapter 285)	Section 9(a) and (c)	Director of Lands
Hong Kong Airport (Control of Obstructions) Ordinance (Chapter 301)	Sections 5, 7(1), 13, 14(1), 15(1), (2)(c)(ii) and (8), 16(1), (3), (6), (8) and (9), 17, 18(2), 20(g), 23(1) and (2), 24(a) and (f), 25(2)	Director of Building Development
Hong Kong Airport (Control of Obstructions) (Lighting) (Consolidation) Order (Chapter 301, subsidiary legislation)	Paragraph 2	Director of Building Development
Buildings Ordinance (Application to the New Territories) Regulations (Chapter 322, subsidiary legislation)	Regulation 2	Director of Building Development
Lifts and Escalators (Safety) Ordinance (Chapter 327)	Section 2 and Schedule (Forms 1 to 21 inclusive)	Director of Engineering Development
Demolished Buildings (Re-development of Sites) Ordinance (Chapter 337)	Section 2(1)	Director of Building Development

<i>Enactment</i>	<i>Provision</i>	<i>Public Officer/title to be substituted</i>
Temporary Restriction of Building Development (Mid-levels) Ordinance (Chapter 351)	Section 2(1) and (2)	Director of Building Development
Waste Disposal Ordinance (Chapter 354)	Sections 2(1), 16(1), 17(1) and (2)(a), 18(2), 19(1), 20(1), (2)(a), (3) and (4), 33(1)(j) and 36(3)	Director of Engineering Development
Water Pollution Control Ordinance (Chapter 358)	Sections 2(1) (in the definition of 'Authority'), 4(3), 6(2)	Director of Engineering Development
Chinese Permanent Cemeteries Ordinance (Chapter 1112)	Section 3(2)(a)(ii)	Director of Building Development
Road Tunnels (Government) Ordinance 1981 (Ord. No. 48 of 1981)	Section 2	Director of Lands

SECOND SCHEDULE

[para. 1(c)]

<i>Ordinance</i>	<i>Provision</i>	<i>Expression to be substituted for 'Public Works Department'</i>
Crown Lands Ordinance (Chapter 28)	Schedule	Engineering Development Department
Telecommunication Ordinance (Chapter 106)	Sections 14(1)(a) and 14(3)(b)	Lands Department
Buildings Ordinance (Chapter 123)	Sections 2(2), 18(1)(b)(ii) and 18(3)	Building Development Department
Education Ordinance (Chapter 279)	Sections 12(3) and 12(5)(c)	Building Development Department
Lifts and Escalators (Safety) Ordinance (Chapter 327)	Sections 36 and 43(2) Schedule (Forms 1-21 inclusive)	Engineering Development Department

<i>Ordinance</i>	<i>Provision</i>	<i>Expression to be substituted for 'Public Works Department'</i>
Demolished Buildings (Re-development of Sites) Ordinance (Chapter 337)	Section 2(2)	Building Development Department
Temporary Restriction of Building (Midlevels) Ordinance (Chapter 351)	Section 2(2)	Building Development Department
Waste Disposal Ordinance (Chapter 354)	Section 16(2)(b)	Engineering Development Department

THIRD SCHEDULE

[para. 1(d)]

<i>Ordinance</i>	<i>Provision</i>	<i>Title to be substituted for 'Director'</i>
Tramway Ordinance (Chapter 107)	Sections 25 and 33	Director of Engineering Development
Peak Tramway Ordinance (Chapter 265)	Section 14	Director of Engineering Development
Peak Tramway Rules (Chapter 265, subsidiary legislation)	Rule 22	Director of Engineering Development
Telephone Ordinance (Chapter 269)	Section 12	Director of Building Development

FOURTH SCHEDULE
(S.C.N.T.A. to D. of L.)

[para. 2.]

<i>Enactment</i>	<i>Provision</i>
Landlord and Tenant (Consolidation) Ordinance (Chapter 7)	Section 50(2)(b) Section 50(6)(l)(ii)
Crown Lands Ordinance (Chapter 28)	Schedule
Buildings Ordinance (Chapter 123)	Section 32
Crown Lands Resumption Ordinance (Chapter 124)	Section 2

<i>Enactment</i>	<i>Provision</i>
Public Health and Urban Services Ordinance (Chapter 132)	Third Schedule, in relation to sections 104(3), 105(1), 105(2)(b), 105(3), 105(4), 106(3), 106(4), 114(1) and 114(2)
Sanitation and Conservancy (New Territories) Regulations (Chapter 132, subsidiary legislation)	Regulation 2(2)
Country Parks Ordinance (Chapter 208)	Section 16(7)(a) Section 25(b)
Buildings Ordinance (Application to the New Territories) Regulations (Chapter 322, subsidiary legislation)	Regulation 2

FIFTH SCHEDULE [para. 3.]
S.L.W. to D. of L.

<i>Enactment</i>	<i>Provision</i>
Oil Pollution (Land Use and Requisition) Ordinance (Chapter 247)	Section 7(2) and (3)

SIXTH SCHEDULE [para. 5.]
S.C.N.T.A. to R.G. as L.O.

<i>Enactment</i>	<i>Provision</i>
New Territories Ordinance (Chapter 97)	Section 11(1) and (2)

SEVENTH SCHEDULE [para. 6.]

<i>Enactment</i>	<i>Provision</i>
<i>Duplicate Permits and Licences (New Territories) Rules (Chapter 97, subsidiary legislation)</i>	<i>Rule 2</i>

EIGHTH SCHEDULE [para. 7.]

<i>Enactment</i>	<i>Provision</i>
Land Registration (New Territories) Fees Regulations (Chapter 128, subsidiary legislation)	Regulation 3, Schedule (items 3, 4 and 5).

He said:—Sir, I rise to move the motion standing in my name in the Order Paper. This motion arises from the decisions to split up the Public Works Department into four separate and autonomous departments and to create a single Lands Department responsible for land administration throughout the whole of Hong Kong.

To enable the directors of these departments to assume their new roles with effect from 1 April 1982 certain statutory powers need to be transferred to, and from, a number of public officers as set out in the motion and in the attached schedules. The detailed planning involved in the establishment of a separate Electrical and Mechanical Services Department is unlikely to be completed before the middle of this year. So the statutory functions which must be transferred to the head of that department in due course will, meanwhile, be exercised by the Director of Engineering Development.

The motion also ensures, in paragraph 10, that the transfer to the Director of Lands of the land functions of the Secretary for City and New Territories Administration does not invalidate any instruments or contracts relating to land in the New Territories issued or entered into by the Secretary for City and New Territories Administration.

Sir, I beg to move.

Question put and agreed to.

MASS TRANSIT RAILWAY CORPORATION ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—Under section 12(1) of the Mass Transit Railway Corporation Ordinance that the schedule to the Resolution of the Legislative Council published as Legal Notice No. 242 of 1975 in the Gazette on 31 October 1975 as amended from time to time be further amended by adding as item 39 the following:

- | | |
|---|--|
| '39. Export credit to finance a contract placed in France | 68 million Hong Kong Dollars and such amounts as may become payable in consequence of the operation of any price variation clause and such amounts as may become payable in respect of interest and other charges including deferred interest provided that the liability of the Government in respect of deferred interest shall be limited to 24 million Hong Kong Dollars'. |
|---|--|

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

Section 12 of the Mass Transit Railway Corporation Ordinance requires the authority of the Legislative Council for the Financial Secretary, on behalf of the Government, to grant guarantees in respect of the repayment of loans and other indebtedness incurred by the Corporation.

Authority is sought for a Government guarantee to cover repayment of a loan of HK\$68 million and such amount as may become payable in respect of interest and other charges.

The sum borrowed under this guarantee will be used to finance the Island Line contract for tunnels between Tai Koo Shing and Sai Wan Ho, including the Tai Koo Shing Station.

If Members approve this motion, the Government's total guarantee commitment in respect of outstanding loans available to the Mass Transit Railway Corporation will be HK\$7,252 million. This contingent liability is provided for within our reserves.

Sir, I beg to move.

Question put and agreed to.

RATING ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—In exercise of the powers conferred by section 18(1) of the Rating Ordinance that, for the period 1 April 1982 to 31 March 1983, for every tenement in a specified area set out in the first column of the Schedule, the general and Urban Council rates shall be computed on the basis of the respective percentage of the rateable value of such tenement set out opposite that area in the second and third columns of the Schedule.

SCHEDULE

<i>Specified Area</i>	<i>General Rates</i>	<i>Urban Council Rates</i>
D and D2	11%	Nil
E	11%	Nil
F1, F2, F3, F4, F5 F6 and F7	11%	Nil
G1, G2, G3, G4 and G5	11%	Nil
H1, H2, H3, H4 and H5	11%	Nil
J1, J2, J3 and J4	11%	Nil
K1 and K2	11%	Nil
L1, L2, L4 and L5	11%	Nil
M1, M2, M3, M4 and M5	11%	Nil
N1, N2, N3, N4 and N5	11%	Nil
P	8%	Nil
Q	8%	Nil
R	8%	Nil
S	8%	Nil

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

In accordance with established policy, the full General Rate charge for each rating area in the New Territories is phased in over a period of five years. In the first year of assessment the actual charge applied is 50% of the full charge, in the second year 60%, in the third year 70%, and so on until the full charge is applied in the sixth year.

The full General Rate charge for the New Territories is 11%, and this already applies to thirty-five out of the forty-four rating areas in the New Territories. Of the balance of nine rating areas, five will be in their *sixth* year of assessment in 1982-83, and the full charge of 11% should be applied to them.

The remaining four areas will be in their *third* year of assessment, and the charge for them should be 70% of the full charge, or 8%.

To give effect to these percentage charges a resolution is required under section 18(1) of the Rating Ordinance, and this is the sole object of this motion.

Sir, I beg to move.

MR. CHARLES YEUNG:—Sir, following the extensive development and urbanization of the New Territories during the past decade, rates have been progressively introduced to newly developed areas. The full General Rates charge for each newly assessed area is phased in over a period of five years.

Historically rates are a form of tax levied by local authorities for local purposes, upon the occupants of immovable property, irrespective of the person's general income and whether or not the rate payer is in fact deriving profits or gain from such occupation. It was therefore apposite that, with effect from the 1 April 1973, a proportion of the rates in the urban area should be allocated to the Urban Council to meet its local expenditure and growth without recourse to an annual grant from the General Revenue.

This financial autonomy has enabled the Urban Council to initiate and provide, among other things, cultural, recreational and sports facilities and activities, and has allowed it an unfettered discretion to plan development programmes and to carry these out speedily according to its own priorities.

Within the short space of eight years and under the firm guiding hand of the Council's former chairman, Mr. A. de O. SALES and through the dedication of the Council's members, the quality of life in the urban area has improved by leaps and bounds. The inhabitants of the urban area are now able to enjoy spacious and well laid-out parks, swimming pool complexes of international standard, quality indoor stadia, Chinese and Symphony orchestras as well as a Planetarium which is the source of world-wide admiration, and this is just part of the Council's achievement.

I would like to take this opportunity to congratulate the Council on its success.

Since the formation of District Boards in the eight districts of the New Territories, funds have been allocated from General Revenue for local use to augment cultural and recreational activities and to improve the local environment. Within these last few years we have been able to witness a flush of cultural and environmental improvement activities, for example a children's choir in Sai Kung has been started as well as a ballet school in Yuen Long and a dance group in Sheung Shui. The zeal and enthusiasm of the local people in involving themselves in the welfare of the community is very encouraging indeed.

With the planned programme for the formation of District Boards throughout Hong Kong and the New Territories, it is high time that Government gave serious thought to the allocation of a portion of the rates generated from the districts, for the use of District Boards, in line with the procedure for Urban Council rates. The success achieved by the Urban Council in the disbursement of its rates will provide a good example for the District Boards in using District Board Rates, if I may be allowed to propose the name.

Sir, with these remarks, I support the motion before the Council.

Question put and agreed to.

VOTE ON ACCOUNT

THE FINANCIAL SECRETARY moved the following motion:—That a sum not exceeding \$20,133,978,000 shall be and is hereby charged upon the general revenue and funds of Hong Kong on account for or towards defraying the cost of the service of the year commencing on 1 April 1982 and ending on the 31 March 1983, and the sum so charged may be expended in the manner expressed in the schedule.

SCHEDULE

<i>Head of Expenditure</i>	<i>Amount upon which provision on Account is based</i>	<i>Amount of vote on Account</i>
	\$	\$
21 His Excellency the Governor's Establishment	5,148,000	1,030,000
22 Agriculture and Fisheries Department.....	147,556,000	58,374,000
24 ...Audit Department.....	18,633,000	3,736,000

<i>Head of Expenditure</i>	<i>Amount upon which provision on Account is based</i>	<i>Amount of vote on Account</i>
	\$	\$
25 Building Development Department.....	392,694,000	79,119,000
26 Census and Statistics Department.....	51,441,000	10,514,000
28 Civil Aviation Department	126,579,000	52,710,000
29 Correctional Services Department.....	302,355,000	68,851,000
30 Defence: Auxiliary Medical Services	6,949,000	1,390,000
32 Defence: Civil Aid Services	13,441,000	3,350,000
34 Defence: Miscellaneous Measures	1,894,449,000	842,595,000
36 Defence: Royal Hong Kong Auxiliary Air Force	18,727,000	9,466,000
38 Defence: Royal Hong Kong Regiment (The Volunteers).....	14,319,000	4,284,000
40 Education Department	495,876,000	106,046,000
42 Education Subventions	2,802,878,000	760,104,000
43 Engineering Development Department ...	850,004,000	184,050,000
44 Environmental Protection Agency.....	13,449,000	4,670,000
46 Fire Services Department	326,238,000	95,018,000
47 Government Data Processing Agency	60,189,000	20,757,000
48 Government Laboratory	18,152,000	5,097,000
50 Government Land Transport Agency	13,213,000	4,254,000
52 Government Secretariat	118,680,000	26,816,000
53 Government Secretariat: City and New Territories Administration	163,470,000	43,707,000
54 Government Secretariat: Civil Service Branch	829,515,000	165,903,000
56 Government Secretariat: Lands and Works Branch.....	31,118,000	6,595,000
58 Government Supplies Department.....	65,480,000	23,766,000
62 Housing Department.....	204,557,000	55,595,000
70 Immigration Department	216,649,000	72,699,000
72 Independent Commission Against Corruption	100,693,000	21,192,000
74 Information Services Department.....	33,972,000	6,840,000
76 Inland Revenue Department	161,080,000	34,270,000
80 Judiciary	104,651,000	22,694,000
82 Kowloon-Canton Railway	142,338,000	32,782,000
90 Labour Department.....	83,150,000	19,857,000

<i>Head of Expenditure</i>	<i>Amount upon which provision on Account is based</i>	<i>Amount of vote on Account</i>
	\$	\$
91 Lands Department	210,424,000	50,106,000
92 Legal Department.....	45,028,000	9,548,000
94 Legal Aid Department	40,141,000	8,052,000
96 London Office	28,049,000	6,983,000
100 Marine Department.....	160,514,000	55,256,000
102 Medical and Health Department.....	1,369,805,000	326,057,000
104 Medical Subventions	775,832,000	282,690,000
106 Miscellaneous Services	1,896,385,000	951,457,000
110 New Territories Development Department	42,504,000	9,006,000
112 Office of Unofficial Members of Executive and Legislative Councils.....	7,058,000	1,412,000
120 Pensions	606,740,000	121,348,000
122 Police: Royal Hong Kong Police Force...	1,682,480,000	479,628,000
126 Post Office.....	403,404,000	106,945,000
130 Printing Department	59,787,000	18,197,000
134 Public Debt.....	49,698,000	29,632,000
136 Public Service Commission.....	1,186,000	237,000
160 Radio Television Hong Kong	109,439,000	47,036,000
162 Rating and Valuation Department	45,896,000	9,286,000
163 Recreation and Culture Department	57,458,000	14,416,000
164 Registrar General's Department	50,593,000	10,203,000
166 Registry of Trade Unions	2,296,000	459,000
168 Royal Observatory.....	36,578,000	17,843,000
170 Social Welfare Department	966,800,000	194,801,000
172 Social Welfare Subventions	300,000,000	83,250,000
174 Standing Commission on Civil Service Salaries and Conditions of Service	2,546,000	521,000
176 Subventions: Miscellaneous	287,060,000	77,836,000
178 Technical Education and Industrial Training Department	90,291,000	19,709,000
180 Television and Entertainment Licensing Authority	4,517,000	936,000
182 Trade Industry and Customs Department .	233,280,000	55,978,000
184 Transfers to Funds.....	13,540,126,000	13,540,126,000
186 Transport Department.....	295,006,000	59,356,000
188 Treasury.....	55,766,000	11,344,000

<i>Head of Expenditure</i>	<i>Amount upon which provision on Account is based</i>	<i>Amount of vote on Account</i>
	\$	\$
190 Universities and Polytechnic	1,109,900,000	433,430,000
192 Urban Services Department.....	298,325,000	81,803,000
194 Water Supplies Department.....	830,026,000	170,960,000
Total.....	35,522,581,000	20,133,978,000

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

This year, as is our normal practice, the debate on the second reading of the Appropriation Bill will be extended into April to give Members time to examine the Draft Estimates for 1982-83. Thus the enactment of the Appropriation Ordinance will not take place before the first day of April. The purpose of this motion is to seek funds on account, to enable the Government to carry on existing services between the start of the financial year on 1 April 1982 and the enactment of the Appropriation Ordinance. The funds on account sought under each head have been determined in accordance with rules which have been agreed by the Finance Committee of this Council.

Expenditure will be regulated in accordance with the heads and subheads shown in the Draft Estimates for 1982-83. A Vote on Account Warrant will be issued to the Director of Accounting Services authorizing him to make payments up to the amount specified in this motion, and will limit the expenditure in accordance with the agreed rules. The provision under the Vote on Account will be subsumed upon the enactment of the Appropriation Ordinance, and the General Warrant issued after the enactment of the Appropriation Ordinance will replace the Vote on Account Warrant and be effective from 1 April 1982.

Sir, I beg to move.

Question put and agreed to.

TEMPORARY RESTRICTION OF BUILDING DEVELOPMENT (MIDLEVELS) ORDINANCE

THE SECRETARY FOR LANDS AND WORKS moved the following motion:—Pursuant to section 6 of the Temporary Restriction of Building Development

(Mid-levels) Ordinance, that the said Ordinance shall continue in force for a period of 4 months ending on 31 July 1982.

He said:—Sir, I rise to move the resolution standing in my name on the Order Paper, which has the effect of extending the statutory restriction on building development in the Mid-levels area until 31 July 1982.

The Temporary Restriction of Building Development (Mid-levels) Ordinance was enacted in May 1979 to enable a detailed geotechnical survey of the hillside slopes in the area to be completed. The Ordinance was originally due to expire on 31 December 1981 unless extended by resolution of this Council. On 9 December 1981 this Council passed a resolution extending the Ordinance for three months until 31 March 1982. The purpose of the extension was to enable amendments to the Buildings Ordinance and Regulations to be introduced so that the Buildings Ordinance Office would be able to exercise appropriate geotechnical control on new building works in the Mid-levels.

At the time, Sir, it was hoped that it would prove possible to introduce the amending Bill in time for it and amending Regulations to come into force by the end of March. But it is now clear that more time is needed to complete the legislative drafting process and to enable the draft legislation to be adequately considered by the Government before being introduced into this Council. A further four months extension of the statutory restriction on new building in the Mid-levels is therefore proposed.

Sir, I beg to move.

Question put and agreed to.

SMALL CLAIMS TRIBUNAL ORDINANCE

THE LAW DRAFTSMAN moved the following motion:—That the Schedule to the Small Claims Tribunal Ordinance be amended—

- (a) in paragraph 1, by deleting ‘\$3,000’ and substituting the following—‘\$5,000’; and
- (b) in paragraph 2(b), by deleting ‘\$3,000’ and substituting the following—‘\$5,000’.

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

About 2½ months ago, Sir, on 23 December, this Council passed the Administration of Justice (Miscellaneous Amendments) Bill. One of the objects of that Bill was to increase the monetary jurisdiction of the Small Claims Tribunal from \$3,000 to \$5,000. The Bill, however, dealt only with the body of the Small Claims Tribunal Ordinance, and regrettably the opportunity to amend the Schedule to that Ordinance was overlooked.

The Resolution that is the subject of this motion now seeks to amend that Schedule by replacing two references to \$3,000 with references to \$5,000. Since this merely completes the increase of monetary jurisdiction approved by this Council less than three months ago, I will not again inflict upon Members what I said then. I will merely confine myself to apologizing for failing on that occasion to dispose of the entire matter in one fell swoop.

Sir, I beg to move.

Question put and agreed to.

First reading of bills

ROADS (WORKS, USE AND COMPENSATION) BILL 1982

MISCELLANEOUS LICENCES (AMENDMENT) (NO. 2) BILL 1982

KOWLOON-CANTON RAILWAY BILL 1982

BOILERS AND PRESSURE RECEIVERS (AMENDMENT) BILL 1982

Bills read the first time and ordered to be set down for second reading pursuant to Standing Order 41(3).

Second reading of bills

ROADS (WORKS, USE AND COMPENSATION) BILL 1982

THE ATTORNEY GENERAL moved the second reading of:—‘A bill to provide for the publication of proposals as to works in relation to roads, objections to the proposals, authority to carry out the works and for the use of roads, powers in relation to the works on and the use of roads, compensation and connected matters’.

He said:—Sir, I move the second reading of the Roads (Works, Use and Compensation) Bill 1982.

This Bill, if enacted, will replace the Streets (Alteration) Ordinance which was passed on 8 May 1970. In the 12 years since that Ordinance was passed the complexity, sophistication and size of engineering projects in Hong Kong have increased greatly, and built as they are with a view to solving or tending to solve the traffic problems here, and the need for growth of roads in the New Territories and in the urban areas, both within them and leading to them.

The effects of these changes, and experience in its operation, have made plain that the present Ordinance is seriously defective in a number of ways and not

capable of adaptation by amendment to meet the present-day needs of Hong Kong. The defects are many. They include: uncertainty as to the meaning of some key definitions such as ‘undertaking’ and ‘alteration’; the absence of any express power to alter a roads scheme once gazetted, or indeed to withdraw a scheme, if necessary; the fact that the Ordinance deals only with ‘alterations’ to existing streets, and covers neither new roads where no existing street is affected, nor the maintenance and repair of existing streets. There is inadequate provision to inform the public of proposed new roadworks so that they may have their objections and views fully taken into account at an early stage. Nor are there powers, necessary I believe in present-day circumstances, to enable the Secretary for Lands and Works to undertake preliminary site investigations or tests for geotechnical or engineering reasons at the design stage.

The claims procedure too is unsatisfactory. There is no provision allowing in genuine cases for late claims. The effect of this is that claimants are thus forced to estimate their financial loss or damage long before the works have even been begun. This is a difficult not to say impossible proceeding, a not unforeseeable result of that is that every conceivable claim is made at that stage, lest it turns out in the event that the claim is there and it has been lost by not having been put forward within the time limit.

There is moreover, and this is a serious defect, considerable uncertainty and very real debate in legal circles as to the meaning and scope of the compensation provisions. The present Ordinance gives an owner or occupier a right to claim compensation where ‘any pecuniary loss or damage’ is likely to be caused to his property by proposed roadworks. This criterion for compensation in the Ordinance is, to the best of my knowledge and the researches that have been done on my behalf, peculiar to Hong Kong. It is arguable in the definition what is meant by ‘damage’ and what is meant by ‘pecuniary loss’ to property. It is arguable whether ‘pecuniary loss or damage’ is restricted to that arising from physical damage to property done by the construction of roadworks, or indeed whether it extends to the existence of the roadworks, and any deleterious effects thereof on property after their completion, and furthermore there is argument as to whether it extends even further to include the deleterious effects, such as smoke, fumes, or traffic noise arising from the use of the roadworks after completion. Even if it does not extend to compensation for use as such, it is arguable whether compensation may not be got by a side-wind by claiming for diminution in the value of property near the roadworks arising from their presence and use. Now it is clear, I would submit to honourable Members, if a wide interpretation were to be given to this statutory provision, claimants would have a standard of compensation higher and broader than that available to those others in the private sector who suffer similar damage or loss as a result of private building developments, as opposed to roadworks. I cannot, speaking for myself, believe that that is equitable, or that it was the intention of this Council so to provide when the present Ordinance was enacted.

Even were I bold enough, Sir, to give definitive opinions on each of these legal issues today, the real risk remains obvious of protracted and expensive litigation taking place with appeals to the Court of Appeal and no doubt to the Privy Council thereafter. The present uncertainty is a matter of concern, not least because the difficulty properly to quantify in advance the total costs, including compensation, of projected roads schemes could create a pressure that could inhibit the carrying out of necessary roadworks. We must remember that even in Hong Kong the public purse is not bottomless, and that only a limited proportion of public sector resources can be deployed in this area. Thus if provision has to be made in Estimates for extravagantly high compensation, then it inevitably means fewer projects can be undertaken at any one time, and that has its consequent effects on traffic problems in Hong Kong.

The object of this Bill therefore is to cure these and the other defects and to provide a comprehensive code, self-contained within one Ordinance, dealing with all matters in connection with new roadworks of all kinds, including tunnels, as well as with the alteration, maintenance and repair of existing streetworks. It seeks to clarify the present uncertainties relating to compensation and aims to strike a reasonable and fair balance between, on the one hand, the expectation, somewhat high sometimes, of the individual to be compensated for damage or loss caused to him by streetworks, and on the other, the legitimate interests of society as a whole in having streetworks built at not too extravagant a cost.

The details of the Bill, Sir, are carefully explained in the Explanatory Memorandum and I do not intend therefore in this speech to weary Members with those detailed provisions, but only to outline the principles of the Bill, and to mention some important changes from the existing procedures.

The procedure proposed in the Bill (excepting the case of minor roadworks where only very limited powers are required, for instance, to close roads for a period of up to 14 days or to close unused roads) is that the Secretary for Lands and Works must prepare a plan and description of the general nature of the proposed works, which is required to be deposited for public inspection in the Land Office. Notice of the scheme is then brought to the attention of the public by notices in the Gazette, by notices in an English language and a Chinese language newspaper, and perhaps more relevantly, by notices placed on site. In addition, the Secretary is obliged under this Bill to inform the relevant District Board of the scheme so they can interest themselves in the matter if they so wish.

After the advertisement, the public then have 60 days in which to make objections. If no objections are made, or if objections are made and conciliated or agreed then the Secretary may execute the scheme as gazetted. If objections are made and maintained, then the scheme and the objections must be considered by the Executive Council. That Council may either pass or decline to pass or authorize the scheme as proposed, or they may authorize it, imposing such conditions designed to avoid or ameliorate the effects of the scheme or of

the use of the roadworks as they think fit. For instance, I apprehend in an appropriate case, the scheme might be authorized on condition that double glazing or sound-proofing or similar measures were provided for those most adversely affected by either the construction or the use of the scheme.

So far as schemes so authorized are concerned, the Secretary then is given all the necessary powers under the Bill to implement it—for instance to resume land (if this is done it will be on the same terms as under the Land Resumption Ordinance), to create easements and other rights, to close roads, upon terms and after due notice has been given to enter land for the purposes of investigation, test, valuation and so on, to remove projections or obstructions which create danger or interfere with the proposed roadworks, and there are other powers outlined in the Bill I need not detail here.

There are two new provisions I should specifically mention. First, clause 23 provides that where land is resumed or other private rights are interfered with, and the land so resumed is reasonably necessary for the enjoyment of contiguous land, then the owner of the contiguous land may call upon the Government to resume that contiguous land, and, if it is fair and equitable that it should be so resumed, that is, if the removal of the other land or of the rights inhibits very seriously the enjoyment of the contiguous land, then the Government is bound to resume that contiguous land. In case of dispute, the Lands Tribunal is given the power of adjudication.

Second, by clause 22, where proposed building development is permanently incompatible, in whole or part, with planned roadworks, the Building Authority may, in order to avoid such incompatibility, refuse approval of the plan or consent to the commencement of building works, withdraw any approval given or require the amendment of any plan. Unless the Building Authority reviews and changes his decision after the Governor in Council has considered the proposed roadworks, the owner may require Government to resume the land, the subject of the incompatible proposed building development. Thus the choice is with the owner either to proceed with his development as amended by the order of the Building Authority, or alternatively to call upon Government to resume that land. In the case of temporary incompatibility which is expected to be rare but could potentially arise perhaps in the case such as tunnelling where until the tunnel was built it might be undesirable to have piling work, say, going on in the neighbourhood—in such cases, the owner may require the Government to resume his land unless, on application made not less than two years after the imposition of the condition requiring postponement, the Building Authority grants approval and consent to commence building development within 12 months. The effect of that is, where temporary incompatibility arises, the loss of that is thrown upon the owner for the period of two years but, if it is to be longer than that, then he has the power calling upon the Government to resume.

Lastly I must mention the approach adopted to the question of compensation. The Working Party who helped to produce this Bill attempted to achieve a fair balance between two competing interests: first, the interests of persons affected by roadworks, as opposed to the interests to the general public who, we should remember, at the end of the day are the people who foot the compensation bill. They also sought to replace the present uncertainty by clear and definite provisions. The compensation provisions are set out in detail in Parts III and IV and in the Schedule to the Bill.

The Bill provides that compensation for roadworks is payable only to the extent provided for, and in the manner to be assessed, specified in the Schedule. In the printed version of my speech the ten of the principal grounds of compensation (see APPENDIX) are there detailed for those serious students or those with an interest to read them. Suffice it to say that compensation is payable for physical damage of all sorts, and is payable for financial loss allied thereto.

Compensation is not payable for any matter not specified in the Schedule. Thus no compensation is payable in respect of noise, dust, vibration, loss of view, loss of amenity, or diminution in value arising from the carrying out of the roadworks or from the existence and use of the roadworks after completion. This, as I have previously explained, seems a fair provision because it accords with the legal position so far as similar claims against private contractors and private developers are concerned in respect of the construction of buildings in Hong Kong.

The Bill sets out a detailed procedure for compensation claims. The Lands Tribunal is given jurisdiction to hear and determine all disputed claims, and also power in appropriate cases to extend the time-limits for claiming.

One difficult problem which it was necessary to resolve is which legislation, the existing Ordinance or the Bill, should apply to roadworks which are at the planning stage and have not yet been commenced. The Government concluded that the fairest and most practicable break-point arose after gazetting and authorization by the Governor in Council of roadworks under section 6 of the existing Ordinance. Accordingly, under the Bill, in the case of roadworks already gazetted and authorized, then the existing Ordinance will apply, but in the case of all other roadworks, the Bill will apply.

Sir, it is intended, as this is a somewhat complicated and lengthy measure, that the second reading debate on this Bill should be adjourned for approximately two months to allow full opportunity for representations to be made by the public—and I would invite them to do that—and to permit also a detailed examination of the Bill by Members of this Council to take place.

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

APPENDIX

The Schedule provides that compensation shall be paid in respect of—

- (1) the resumption of land;
- (2) physical or structural damage to any land or building, together with loss resulting therefrom;
- (3) the creation of easements or other permanent rights, or rights of temporary occupation, together with loss resulting from such creation;
- (4) the extinction of any easement and loss resulting from such extinction;
- (5) the closure, or extinction, modification or restriction of a private right in respect of a road where access to land is adversely affected;
- (6) the extinction, modification or restriction of any private right over Crown foreshore or sea-bed;
- (7) loss resulting from such extinctions, modifications or restrictions;
- (8) physical or structural damage resulting from exercise of the power of inspection and the carrying out of preventive and remedial works, together with loss from such damage;
- (9) the removal of any authorized structure or the expense incurred in reinstating or replacing the same; and
- (10) any amendment required or condition imposed to avoid incompatibility.

Motion made. That the debate on the second reading of the Bill be adjourned—THE ATTORNEY GENERAL.

Question put and agreed to.

MISCELLANEOUS LICENCES (AMENDMENT) (NO. 2) BILL 1982

THE SECRETARY FOR HOME AFFAIRS moved the second reading of:—‘A bill to amend the Miscellaneous Licences Ordinance.’

He said:—Sir, I move that the Miscellaneous Licences (Amendment) (No. 2) Bill 1982 be read the second time.

This Bill is intended to block another loophole in the principal Ordinance which has come to light since the last amendment enacted in January this year. It concerns video machines which have been deliberately adjusted so as not to register any score. The emergence of these machines had not been foreseen because a great part of the enjoyment of the skilled players is achieving a very high score. However, as about 100 establishments have sprung up with these machines there clearly is sufficiently consumer interest for them to be taken seriously.

When I answered a question in this Council on 20 January, I said that the Legal Department was considering whether these scoreless machines were

covered by the present Ordinance. We have since received legal advice that some of these machines which still have reference to a score on their computer programmes, although not actually displaying the score, are arguably covered by the present Ordinance. However it is very easy to reprogramme the circuits to circumvent this and in some machines this may have been done already. We conclude therefore that the best course of action would be to introduce a definition of establishments requiring licensing which would unarguably cover these machines. This is what the Bill seeks to achieve. Because of the wider definition, the establishments are now more appropriately called 'amusement game centres'.

Video or amusement games are found in an area of rapid technological development. To provide for legislative flexibility in dealing with future innovations, a schedule is included in the definition of 'amusement game centres' in this Bill, to allow for the conclusion of any new machines by order of Governor in Council. Should yet more loopholes be found they can be stopped very quickly. Another schedule allows for exemption of machines or premises from licence requirements, for instance, strength-testing machines commonly seen in fun fairs, and temporary exemption can be provided on application for a fund-raising party using video game machines for charitable purposes.

Recent experience with unlicensed operators, with their cavalier attitude towards the law, has called for strong sanctions that would force them either to close or to operate in acceptable regulated circumstances. To this end, the Bill provides for the fine for operating unlicensed establishments to be increased from \$1,000 to \$50,000, and more important, for the mandatory forfeiture of machines found in unlicensed centres. This latter provision has been found necessary to deal with cases where a front man is the person convicted but the expensive machines are then returned to their owner for redeployment.

There is no excuse for intending operators not to apply for a proper licence. The time taken by the Commissioner for Television and Entertainment Licensing to process licence applications has now been reduced considerably. When I spoke in this Council on 6 January, I said that new applications for licences could be dealt with within two months. In fact, the Commissioner has now advised me that all 1 372 licence applications received up to 9 February, that is, just one month ago—have been dealt with. This is less than half the time I promised in January. This is due to the additional staff and their hard work in the Licensing Authority and the departments concerned, particularly the Police.

In view of the strong public feeling several Unofficial Members have said the Bill should be taken through all three readings in one day. This Bill certainly is urgently needed to plug a loophole. Since it does not involve any new policy, I have proposed that all three readings of this Bill should be taken in this session to-day.

Once the Bill is passed, immediate Police action will be taken against unlicensed centres.

Sir, I beg to move.

MR. ALLEN LEE:—Sir, I rise in support of the Miscellaneous Licences (Amendment) (No. 2) Bill 1982.

I welcome the speed with which this Bill has been prepared and introduced into this Council. Since the enactment of the Miscellaneous Licences (Amendment) Ordinance 1982 passed by this Council on the 6 January, unscrupulous operators have sought to evade the provisions of the law by erasing scores from their video game machines. The readiness of these individuals to search out loopholes in the legislation is all the more reprehensible when one considers that Government, by seeking to licence all amusement game centres does not intend to ban such establishments but merely to ensure that certain reasonable operation requirements are met.

I am glad to note that new definition proposed in this Bill unequivocally covers all existing video games and that additionally it enables the Government to respond quickly to any further modifications by unscrupulous operators trying to circumvent the law. The powers of seizure and forfeiture granted to the Police and the Courts are also greatly strengthened. This will provide a significant deterrent to those who persist in illegal operations in the pursuit of quick profit.

I understand that the existing illegal video game establishments are highly profitable. The extent of such profit is attributable to the willingness of such individuals to compromise the safety and well-being of members of our community, especially the very young. We must stop these illegal operations as soon as we can. I therefore wholeheartedly support the rather unusual procedure of having this Bill read three times in one sitting.

With these words, Sir, I support the Bill.

MR. SO delivered his speech in Cantonese:—

督憲閣下：本人支持一九八二年雜類牌照（修訂）（第二號）法案。

自從主要法例於本年一月六日修訂以來，仍有一小撮頑固商人挖空心思，將電子遊戲機改裝，不顯示分數，或以「試機」等藉口，明目張膽或半公開式的繼續經營，藉以逃避發牌管制。該等遊戲機中心質素低劣，不特漠視法紀，而且忽視公眾安全及公共利益。

政府今日建議立即修改法例，除加重罰款及充公機器外，更將「自動遊戲機中心」的定義，改為含義更廣、更切實際的「娛樂遊戲中心」，用以包括任何型式的自動或電視遊戲機，以堵塞漏洞。政府維護立法及執法精神與尊嚴，所表現的決心和努力，本人非常讚揚；相信社會人士亦有同感。

本人認為該法案只針對存心不軌或不法商人，對於遵守法例的商人或申請人，應絕無影響。

本人亦趁此機會，重申幾位非官守議員在本年一月六日立法局會議席上提出的要求：政府應全力從速處理有關的牌照申請。

督憲閣下，本人謹此陳辭，支持當前動議。

(The following is the interpretation of what Mr. So said.)

Sir, I rise to support the Miscellaneous Licences (Amendment) (No. 2) Bill 1982.

A handful of obstinate operators of video game centres have been continuing with their operation brazenly or semi-overtly since the principal Ordinance was amended on 6 January. In order to evade the licensing control they racked their brains to modify their video game machines or delete the scoreline, or operate on the pretext of 'machine testing', etc. Such automatic machine centres are poorly equipped. They not only defy the law but also ignore the safety and interests of the public.

Today the Government proposes to amend the legislation with immediate effect. The Bill seeks to plug the loopholes by providing for the imposition of heavier fines, confiscation of machines as well as the substitution of the definition of 'automatic machine centre' with the more comprehensive and appropriate one of 'amusement game centre' to cover all types of automatic or video game machines. The resolution and efforts as demonstrated by the Government to uphold the spirit and dignity of law enactment and enforcement is indeed laudable. I believe other members of society will feel the same.

In my opinion, this Bill only aims at those unscrupulous or illegal operators and will have absolutely no ill effects on law-abiding businessmen or applicants.

Sir, I would also like to take this opportunity to reiterate the request made by some of my Unofficial Colleagues in this Council on 6 January, that is, the Government should process the applications for such licences as quickly as possible.

With these remarks, Sir, I support the motion.

MR. CHAN KAM-CHUEN:—Sir, I rise to support the Miscellaneous Licences (Amendment) (No. 2) Bill 1982.

In my last speech on 6 January this year, I mentioned that video game centres should be controlled and that it was too early to draw any conclusion on whether they were centres of criminal activities. The recent bloodshed in one of these establishments within such a short time of operation serves as a clear and stern warning to the public that they should strongly support stringent control of such centres for the good of their younger generation.

'Videomania', if not nipped in the bud, would make a child become addicted, put his lunch allowance into the machines, even drop out of school and refuse to communicate with friends and parents. In the extreme cases, this could well result in the child pinching money from home, or playing into the hands of loan sharks and drug traffickers to satisfy his game addiction. When children are exposed to criminal elements, it is but a short cut to correctional institutes.

Governments in some countries simply prohibit the import of video game machines, but Hong Kong being a free port such draconian measures are not taken here. Instead, we try to regulate and endeavour to make these centres

respectable. However, operators must not take tolerance as weakness. Recent events indicated that some do not accept the spirit of the legislation but choose to play around with words and thought that they would outwit the law.

Sir, this leads to a much more serious and fundamental issue, i.e., the undermining of our legal system and open defiance to Government authority. The stability and prosperity of our community rest on the solid foundation of law and order and we cannot and must not allow any unscrupulous operators to rock it.

Chinese historians once described a weak government as ‘政令不出都門’ i.e. administrative instructions were not obeyed beyond the gates of its capital. We must therefore ensure that legislation is not just made within these four walls, but that it is truly enforceable throughout the whole territory. On this rests the confidence and respect of the public to law. There will also be a feeling of fair treatment by law-abiding operators who have fulfilled the licensing conditions and those applicants now patiently awaiting their licence. I believe this Bill, which provides for a more flexible definition of ‘amusement game centres’ and for stiffer penalties, will deter those who think evasion would pay.

With these observations, Sir, I strongly support that this Bill be passed in one sitting and that swift and sharp follow-up action be taken to rectify the situation.

SECRETARY FOR HOME AFFAIRS:—I am most grateful to honourable Members for their support for this Bill and for the proposal that the Bill pass through all its stages this afternoon.

As Mr. LEE and Mr. CHAN say the Government policy is not one of suppression but of reasonable regulation.

Mr. Andrew SO reminds us that applications for licences should be processed quickly. A special effort has been made to clear the back-log by extra staff posted for a short period. I mentioned 1372 applications were received between 1 June 1981 and 9 February 1982. 141 licences have been issued, 480 licences have been approved subject to the applicants complying with requirements for modifications of their premises, 260 applications have been rejected and 491 applications have been withdrawn. In the last month another 87 applications have been received. Processing of 15 of this has been completed. None of the outstanding applications has been in our hands for more than a month.

Mr. CHAN mentioned a fight which broke out in a video games centre on Sunday morning. This was at 4.00 a.m. in an unlicensed centre which is open twenty-four hours a day, is over crowded and just the sort of place I hope will now be closed down.

I can readily understand Mr. CHAN’s fear that if the Government failed to take action in the face of this blatant evasion of the law it could give the

impression that it was a government of 政令不出都門 If however honourable Members will support this Bill I feel sure that everyone will recognize that in Hong Kong 政令貫徹始終 .

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).

KOWLOON-CANTON RAILWAY BILL 1982

THE SECRETARY FOR TRANSPORT moved the second reading of:—‘A bill to repeal and replace the Kowloon-Canton Railway Ordinance; to provide for the continued administration of Kowloon-Canton Railway and for connected purposes.’

He said:—Sir, I move the second reading of the Kowloon-Canton Railway Bill 1982.

The Bill seeks to repeal the existing Kowloon-Canton Railway Ordinance (Chapter 99) and to replace it with legislation more up-to-date in wording, more logical in presentation and easier to administer. The old Bill, like the old railway, has given good and long service, but must now be superseded.

The principal changes proposed by the Bill include that certain powers, formerly exercised by or with the authority of Governor in Council, will become the province of the Governor, in accordance with present practice. Clauses 4, 5(2), 8, 12, 14 and 31(4) are concerned.

Clauses 31(3) provides for an appeal by a railway employee against not only the punishment, but also the findings, in a disciplinary hearing by the General Manager, Railway.

The necessary subsidiary regulations for the introduction of the electrified service would be made under the new legislation, by the General Manager of the Railway subject to approval by the Governor in Council.

Members may wish to know of some significant amendments necessary in the new draft regulations.

First, regulations on ticketing to provide for the use of an automatic revenue collection system. Magnetic encoded tickets will be sold to passengers at stations by automatic vending machines. Passengers will enter and leave the paid areas of stations by inserting tickets into automatic barriers. Members of the Council are no doubt familiar with this system from travelling on the Mass Transit Railway.

Second, a regulation designed to prevent abuse of the emergency brake installed in each set of the electric multiple units (in plain English, in each carriage of a train). These emergency brakes are, naturally, and must be easily accessible to passengers and they are, of course, a temptation. The regulation provides for a penalty of up to \$1,000 for improper use.

Third, regulations to make it an offence to interfere with or damage any railway property including overhead wiring, fences, signals, electrical equipment and installations, and so on. Substantial penalties will be provided for these offences.

Fourth, a regulation making it an offence to fly kites, balloons, or model aircraft in the air above the railway, as this could interfere with, or cause damage to, overhead wires and electrical equipment.

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

*Motion made. That the debate on the second reading of the Bill be adjourned—*THE SECRETARY FOR TRANSPORT.

Question put and agreed to.

BOILERS AND PRESSURE RECEIVERS (AMENDMENT) BILL 1982

THE COMMISSIONER FOR LABOUR moved the second reading of:—‘A bill to amend the Boilers and Pressure Receivers Ordinance.’

He said:—Sir, I rise to move the second reading of the Boilers and Pressure Receivers (Amendment) Bill 1982.

In the amendment Bill, it is proposed that sections 4, 8, 64 and 66 should be amended in order to include reference to the new post of surveyor. A number of other new posts have been created in recent years. It is, therefore, proposed to amend section 2 of the Ordinance so that the definitions will, where applicable, include the new posts.

The fines prescribed in Part VII of the Ordinance were fixed in 1963. They are out-of-date now and are insufficient to act as a serious deterrent. In recommending the levels of the revised penalties, I have taken into account the seriousness of the offences and whether the offence was committed by persons other than the owner in a similar way to fine levels recently reviewed for all safety regulations under the Factories and Industrial Undertakings Ordinance. The same criteria will also be followed when I make consequential proposals to revise penalties under the Boilers and Pressure Receivers Regulations.

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

*Motion made. That the debate on the second reading of the Bill be adjourned—*THE COMMISSIONER FOR LABOUR.

Question put and agreed to.

BANKING (AMENDMENT) BILL 1982

Resumption of debate on second reading (10 February 1982)

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).

DEPOSIT-TAKING COMPANIES (AMENDMENT) BILL 1982

Resumption of debate on second reading (10 February 1982)

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).

ARBITRATION (AMENDMENT) BILL 1982

Resumption of debate on second reading (10 February 1982)

Question proposed.

MR. PETER C. WONG:—Sir, the purpose of the Bill is to amend the Arbitration Ordinance to give effect to recommendations of the Law Reform Commission.

The Report of the Commission on Commercial Arbitration is extremely well presented and represents a comprehensive study on the subject in the context of

Hong Kong. A number of important topics are now under study by the Commission and judging from this first report, I would venture to say that the work of the Commission will be of immense value in our quest for a fair and equitable system of law tailored for the needs of Hong Kong.

As pointed out by the Attorney General, there is a need in the Asian and Pacific region for an acceptable centre for holding international arbitration. The proposed amendments are designed to help Hong Kong to meet this regional demand and to improve the existing legal framework governing local arbitration.

The Legislation Scrutiny Group of the Unofficial Members of this Council has examined the Bill and has held discussions with the Attorney General and three senior officers of his department. After careful deliberation, the Group is generally satisfied with the provisions of the Bill.

The Attorney General will propose an amendment to clause 2A(1). He will no doubt explain the reason for the amendment, and I need only say the Group supports his proposal.

If this Bill is passed into law, it will provide a satisfactory legal framework for local as well as international arbitration. But much remains to be done. Rules for the conduct of arbitration in Hong Kong will have to be drafted, and this will require the same degree of care, expertise and consultation as the drafting of the Bill itself. At a time when things are moving very quickly, it would be wise to proceed as swiftly as it practicable with the preparation of the necessary subsidiary legislation.

There is also the need to provide suitable arbitration facilities. This is an area where private institutions concerned with arbitration would no doubt wish to play an active role. Similarly, the shortage of arbitrators in Hong Kong will be another area where these institutions would wish to consider and seek ways and means to improve the situation. Government should play a co-ordinating role, and should stimulate and assist in the development of Hong Kong as a centre for international arbitration.

I share the Attorney General's confidence that we will succeed in attaining our objective, and, if I may add, the Hong Kong way.

Sir, I support the motion.

MR. F. K. HU:—Sir, it is indeed a record achievement that the third reading on Arbitration (Amendment) Bill 1982 is taking place today, only four months after the Report on Commercial Arbitration was submitted by the Law Reform Commission in December 1981. This Bill will set a modern legal framework in preparation for the private sector to establish an international arbitration centre in Hong Kong to serve local and international parties in this region.

Arbitrations have been conducted in Hong Kong in the past. In the last three years, 1978-1980, the estimated average number of arbitrations carried out in

Hong Kong is twenty per annum, involving a variety of subject matters such as maritime, insurance, construction and sale of goods.

Hong Kong already has the potential to develop into an international arbitration centre in this region. In the 1980 Bermuda Conference jointly organized by the Chartered Institute of Arbitrators, the American Arbitration Association and the Arbitrators' Institute of Canada, the U.S. delegate suggested that an arbitration centre in addition to London and New York was needed and two places were mentioned, Hong Kong or Bermuda. Hong Kong was considered because of its status in international trade and commerce.

After this Bill is enacted, serious discussions with various institutions, such as Ship Owners' Association, Hong Kong General Chamber of Commerce, Chinese Manufacturers' Association, the Hong Kong Branch of the Institute of Arbitrators etc. should be held on the ways and means of making Hong Kong an arbitration centre, with the assistance and support from the Government to provide the necessary arbitration facilities. Rules of arbitration will have to be drafted. The Government can further assist in publicizing and promoting arbitration in Hong Kong. It can also help greatly in the field of education and training.

The availability of international arbitration services will, I am sure, further enhance the position of Hong Kong as a leading finance and commercial centre.

Sir, with these remarks, I have the pleasure to support the motion.

THE ATTORNEY GENERAL:—Sir, I would like first to thank the Legislative Scrutiny Group, in particular, thank Mr. Peter C. WONG and Mr. HU for the care with which they looked at the Bill and for the kind words they have just said. I am most grateful for the confirmation that the Bill as drafted appears in good shape and that there is perhaps only one change that might be made to it. The fact that the Bill is in such good shape conveys a great deal of credit on Mr. Andrew LI who, in many ways, was the originator by the hard work he's put in, of it.

Sir, the change which I shall later be proposing is in clause 2 to the Bill which alters clause 2A of the Bill. Under that clause as drafted, power was given to the court on a joint application by both parties in an arbitration agreement where there was a conciliation clause seeking the appointment of a conciliator, a part of the court, on a joint application, to make that appointment where the appointer was in default in so doing.

The Legislative Scrutiny Group pointed out that bearing in mind the importance of conciliation or mediation in Hong Kong and in neighbouring countries, it would be wise to alter that clause by allowing an application by *either* party to the court. So that the court, if one party applied, could then appoint a conciliator. The thinking behind that is that although it might be that the other party initially is not minded to be conciliated or mediated, nevertheless

when his uncle got hold of him, perhaps he would change his views. So therefore, the alteration which I shall propose at a later stage seeks to achieve that object.

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).

POLICE FORCE (AMENDMENT) BILL 1982

Resumption of debate on second reading (10 February 1982)

Question proposed.

MR. LO:—Sir, in May 1980 the U.M.E.L.C.O. Police Group under its previous chairman, Sir Sydney GORDON, recommended to Your Excellency amongst other things that a means should be provided for enforcing the retirement of officers adjudged manifestly unfit to serve in the Force.

If, after the passage of this Bill, the necessary amendments are made to the appropriate Discipline Regulations, it would be true to say that from a practical viewpoint means have been found to enforce the retirement of Inspectors and junior ranks adjudged manifestly unfit. This leaves the position of gazetted officers unchanged and somewhat unsatisfactory for reasons not directly relevant to these proposals.

Since this Bill is certainly a step in the right direction, it has my full support.

SECRETARY FOR SECURITY:—I am grateful to Mr. T. S. LO for his full support.

He has hinted that the Bill leaves the position of gazetted officers in some ways unchanged and in others, unsatisfactory. May be my attempts to achieve brevity in moving the second reading have led him to that conclusion.

I should perhaps make clear that, as provided under section 13 of the Police Force Ordinance, gazetted officers of the Royal Hong Kong Police Force are subject to Colonial Regulations. These regulations already provide both for the compulsory retirement of a gazetted officer following specific acts of misconduct and, where the public interest so requires, for the retirement of a gazetted officer without the necessity for a formal disciplinary hearing.

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).

APPRENTICESHIP (AMENDMENT) BILL 1982

Resumption of debate on second reading (10 February 1982)

Question proposed.

MR. S. L. CHEN:—Sir, in moving the second reading of the Apprenticeship (Amendment) Bill 1982, the Secretary for Education touched on three clauses of the Bill only, namely, 6, 8 and 9. Some of the other clauses in my opinion require clarification and I refer particularly to clauses 10 and 11.

Section 47(1) of the principal Ordinance empowers the Commissioner for Labour to make regulations. Clause 10 amends this to enable the Director of Technical Education and Industrial Training to make regulations ‘with the approval of the Commissioner’.

As there is already a provision in the principal Ordinance, section 47(3) whereby all regulations have to be approved by this Council, I have considerable doubts in the wisdom of using the phrase ‘with the approval of’ as it may unnecessarily tie the hands, as it were, of the Director. I suggest therefore that it would be more appropriate to replace the words ‘with the approval of’ by ‘in consultation with’ in clause 10.

Speaking as an employer of apprentices in designated trades, I am somewhat concerned about the practical effects that the proposed amendments will have on such employers. Up till now, employers have only the Commissioner for Labour to deal with. But with the proposed transfer of authority from the Commissioner to the Director for some of the provisions and the retention of the Commissioner as the authority for the others, notably regulations 8, 9, 10 and 11, will it mean, therefore, that in future employers have to deal with more than one authority and possibly be visited by inspectors of both departments in respect of every registered apprentice? If this is the case, I am afraid that the additional red tape would, in my opinion, deter employers from taking on young people for training. I would therefore like to have an assurance from Government that this is not its intention and that such a situation will not arise in future.

Sir, with these observations, I support the motion before Council.

SECRETARY FOR EDUCATION:—Sir, Mr. CHEN has asked for some clarification of clauses 10 and 11 of the Bill.

It is true that clause 10 will amend section 47 of the main Ordinance so that Regulations in future would be made by the Director of Technical Education and Industrial Training with the approval of the Commissioner for Labour. Some of the regulations deal with matters which should remain within the general responsibilities of the Commissioner for Labour, like the conditions of employment such as hours of work, the payment of wages, etc. In order to avoid duplication of powers within the section, especially in view of the wideranging powers in section 47(1)(i), I think it is correct that all the regulations should be made by the Director with the approval of the Commissioner. This appears to tie the hands of the Director but this is better than not tying his hands at all in the sort of cases to which I have referred. Mr. CHEN's suggestion that words 'with the approval of' should be replaced by words 'in consultation with' would not require the Director to follow the Commissioner's advice over these matters and as I have said I believe this would be wrong. I feel that the wording of this clause is best left as shown in the Bill.

Regarding Mr. CHEN's second point, I can assure him that the retention of the Commissioner for Labour as the authority for regulations 8, 9, 10 and 11 will not mean additional work for employers, nor will employers, in the ordinary course of events, be visited by inspectors of two department in respect of registered apprentices. The Commissioner has indicated that he will delegate under section 5 of the principal Ordinance, his powers under regulations 8, 9, 10 and 11 to inspectors as defined in section 33 of the principal Ordinance and other public officers of the new department as appropriate. The Commissioner however remains the Authority for these regulations and will monitor events through regular report from the new department.

Sir, I move that the Apprenticeship (Amendment) Bill be read a second time.

Question put and agreed to.

Bill read the second time.

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

LEGAL AID (AMENDMENT) BILL 1982

Resumption of debate on second reading (10 February 1982)

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).

HOUSING (AMENDMENT) BILL 1982

Resumption of debate on second reading (10 February 1982)

Question proposed.

MR. CHARLES YEUNG:—Sir, the Housing Authority established under section 3 of the Housing Ordinance is veritably an autonomous authority in policy making as well as in policy execution, through the Housing Department, on matters relating to the building and management of public housing, control and clearance of Crown Land, resettlement of squatters and displaced inhabitants.

As the public housing programme originated in the urban area and since historically it has been linked with the Urban Council, it is understandable that the majority of the unofficial members of the Housing Authority have been drawn from the Urban Council membership.

The shift in the emphasis of the public housing programme to the New Territories in general, and to the new towns in particular, sweeps along with it the concomitant social and political problems of land resumption, clearance, compensation and resettlement. It is therefore appropriate and felicitous to enlist the people who have profound knowledge and connections in the New Territories to serve on the Housing Authority. The proposal in the Bill to remove the restriction both in number and source of membership on the appointment of unofficial members to the Housing Authority is timely and opportune, albeit the Urban Councillors who have served or are serving on the Authority have made an outstanding and valuable contribution in providing quality housing for so many in so short a time, particularly against a scarcity of land resource and a number of other constraints.

The proposal in the Bill to improve controls over the Home Ownership Scheme and the Private Sector Participation Scheme is a necessary means to ensure that flats go to the genuine home-seekers. For the sake of fairness to those who are less fortunate, no effort should be spared in future in detecting any breach of conditions and in enforcing the sanctions created by law with a vigilant eye on abuse and circumvention.

With these remarks, Sir, it is my pleasure to support the motion now before Council.

SECRETARY FOR HOUSING:—Sir, I am grateful to Mr. YEUNG for his support of the main provisions of this new legislation.

Since I last spoke on the Bill the New Territories District Board elections have taken place, and in September those for membership of the urban area boards will be held.

The public's enthusiastic response to the elections last Thursday is a most encouraging development and indeed confirms that we are on the right path in making provision for wider representation on the Housing Authority in the future.

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.

BANKING (AMENDMENT) BILL 1982

Clause 1 was agreed to.

Clause 2

THE FINANCIAL SECRETARY:—Sir, I move that clause 2(a) be amended as set out in the paper circulated to Members.

This amendment is required to correct an anomaly in the proposed definition of a 'local representative office'. That definition, as presently drafted, would include the branches in Hong Kong of certain banks incorporated outside Hong Kong which are registered or licensed under the Deposit-taking Companies Ordinance. This is an unusual situation which exists only because these institutions do not have the word bank in their title, though they are recognized and supervised as banks in their countries of origin.

It is clearly appropriate that their activities in Hong Kong, which include the business of taking deposits, should be regulated and supervised under the Deposit-taking Companies Ordinance, rather than under the new sections of the Banking Ordinance covering representative offices. This amendment will therefore prevent any argument as to which of the two Ordinance applies to these deposit-taking companies.

Proposed amendment

Clause 2

That clause 2(a) be amended by deleting the definition of ‘local representative office’ and substituting the following definition—

‘local representative office’ means an office in Hong Kong of a bank incorporated outside Hong Kong which is not—

- (a) licensed under section 7;
- (b) a deposit-taking company; and
- (c) recognized as the central bank of the country or place in which it is incorporated;’.

The amendment was agreed to.

Clause 2, as amended, was agreed to.

Clauses 3 to 13 were agreed to.

The Schedule was agreed to.

DEPOSIT-TAKING COMPANIES (AMENDMENT) BILL 1982

Clauses 1 to 19 were agreed to.

New clause 2A. ‘Amendment of section 8’.

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

THE FINANCIAL SECRETARY:—Sir, in accordance with Standing Order 46(6), I move that new clause 2A as set out in the paper circulated to Members be read a second time.

This clause is intended to correct an inadvertent side-effect of the amendment, in clause 17, to the First Schedule to the Ordinance. It has been suggested by the Hong Kong Deposit-taking Companies Association that this amendment, taken together with section 8(2)(a) of the Ordinance, could prevent a deposit-taking company from obtaining a small overdraft or other advance from a bank outside Hong Kong in a currency other than the Hong Kong dollar. That, Sir, would not be a desirable result.

New clause 2A therefore amends section 8(2)(a) of the Ordinance, with consequential amendments to other sections. The result will be that a deposit-taking company can take a deposit (which by definition includes an overdraft) of any size, in any currency, and of any maturity, from a bank, whether or not that bank is licensed under the Banking Ordinance. Normal international money market operations will therefore be able to continue unhindered.

Question put and agreed to.

Clause read the second time.

THE FINANCIAL SECRETARY:—I move that new clause 2A be added to the Bill.

Proposed addition

New clause 2A

That a new clause be added after clause 2 as follows—

‘Amendment **2A.** Section 8 of the principal Ordinance is amended, in
of Section 8. subsections (2)(a), (3) and (5), by deleting "licensed".’

The addition of the new clause was agreed to.

First and Second Schedules were agreed to.

ARBITRATION (AMENDMENT) BILL 1982

Clause 1 was agreed to.

Clause 2

THE ATTORNEY GENERAL:—I move that clause 2 be amended as set out in the paper circulated to Members and for the reasons I have explained above.

Proposed amendment

Clause 2

That clause 2 be amended in the proposed new section 2A by deleting subsection (1) and substituting the following—

‘(1) In any case where an arbitration agreement provides for the appointment of a conciliator by a person who is not one of the parties and that person refuses to make the appointment or does not make it within the time specified in the agreement or, if no time is so specified, within a reasonable time not exceeding 2 months of being informed of the existence of the dispute, any party to the agreement may serve the person in question with a written notice to appoint a conciliator (and shall forthwith serve a copy of the notice on the other parties to the agreement) and if the appointment is not made within 7 clear days after service of the notice the Court or a judge thereof may, on the application of any party to the agreement, appoint a conciliator who shall have the like powers to act in the conciliation proceedings as if he had been appointed in accordance with the terms of the agreement.’

The amendment was agreed to.

Clause 2, as amended, was agreed to.

Clauses 3 to 13 were agreed to.

MISCELLANEOUS LICENCES (AMENDMENT) (NO. 2) BILL 1982

Clauses 1 to 10 were agreed to.

POLICE FORCE (AMENDMENT) BILL 1982

Clauses 1 to 11 were agreed to.

APPRENTICESHIP (AMENDMENT) BILL 1982

Clauses 1 to 11 were agreed to.

LEGAL AID (AMENDMENT) BILL 1982

Clauses 1 to 18 were agreed to.

HOUSING (AMENDMENT) BILL 1982

Clauses 1 to 19 were agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

MISCELLANEOUS LICENCES (AMENDMENT) (NO. 2) BILL

POLICE FORCE (AMENDMENT) BILL

APPRENTICESHIP (AMENDMENT) BILL

LEGAL AID (AMENDMENT) BILL and

HOUSING (AMENDMENT) BILL

had passed through Committee without amendment and the

BANKING (AMENDMENT) BILL

DEPOSIT-TAKING COMPANIES (AMENDMENT) BILL and

ARBITRATION (AMENDMENT) BILL

had passed through Committee with amendments 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.

Unofficial Member's Bill**Second reading of bill****THE HONG KONG AND CHINA GAS COMPANY (TRANSFER OF INCORPORATION) BILL 1982****Resumption of debate on second reading (10 February 1982)**

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 bill

Council went into Committee.

THE HONG KONG AND CHINA GAS COMPANY (TRANSFER OF INCORPORATION) BILL 1982**Clause 1**

MR. LOBO:—Sir, I move that Clause 1 be amended as set out in the paper circulated to Members. The amendment corrects an omission in the citation of the Bill.

*Proposed amendment***Clause 1**

That clause 1 be amended by inserting after ‘Ordinance’, in the second place where it occurs, the following—
‘1982’.

The amendment was agreed to.

Clause 1, as amended, was agreed to.

Clause 2.

MR. LOBO:—Sir, I move that Clause 2 be amended as set out in the paper circulated to Members. I will set out the reason for this amendment and for the two further amendments, which I will propose this afternoon.

Under the United Kingdom Companies Act 1980, the Company is required to register under a new name. The purpose of the amendments is to exempt the Company for a period of 1 year after the change of name from the requirements of the Companies Ordinance to publish its new name. When the Company’s registration is transferred to Hong Kong, its name will revert to its existing one.

*Proposed amendment***Clause 2**

That clause 2 be amended in the definition of ‘the company’ by deleting ‘and named’ and substituting the following—
‘and, subject to the Companies Act 1980 of the United Kingdom, named’.

The amendment was agreed to.

Clause 2, as amended, was agreed to.

Clause 3 was agreed to.

Clause 4

MR. LOBO:—I move that clause 4 be amended as set out in the paper circulated to Members.

Proposed amendment

Clause 4

That clause 4(1) be amended—

- (a) by deleting ‘it appears in the memorandum referred to in section 3(2)(e)’ and substituting the following—
‘ “The Hong Kong and China Gas Company Limited” ’; and
- (b) by inserting after ‘reflect’ the following—
‘the change in the name of the company (if any) and’.

The amendment was agreed to.

Clause 4, as amended, was agreed to.

Clause 5

MR. LOBO:—I move that clause 5 be amended as set out in the paper circulated to Members and for the reasons I have explained before.

Proposed amendment

Clause 5

That clause 5 be amended by inserting after subclause (3) the following—

‘(4) If the name of the Company is changed pursuant to the requirements of the Companies Act 1980 of the United Kingdom before the transfer date, then until—

- (a) the transfer date, or
 - (b) the first anniversary of the date of the change of name,
- whichever is the earlier, any provision of the Companies Ordinance or any other Ordinance requiring or authorizing the name of the company to be shown on any document or other object or at any place where the company carries on business shall apply as if any reference in that provision to the name of the company were a reference to a name which either is its name or was its name before such change of name.’

The amendment was agreed to.

Clause 5, as amended, was agreed to.

Clauses 6 and 7 were agreed to.

Council then resumed.

Third reading of bill

MR. LOBO reported that

THE HONG KONG AND CHINA GAS COMPANY (TRANSFER OF INCORPORATION) BILL

had passed through Committee with amendments, and he moved the third reading of the Bill.

Question put on the Bill and agreed to.

Bill 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, 24 March 1982.

Adjourned accordingly at twenty minutes past four o'clock.