

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 7 December 1983****The Council met at half past two o'clock****PRESENT**

HIS HONOUR THE DEPUTY TO THE GOVERNOR (*PRESIDENT*)
THE HONOURABLE THE CHIEF SECRETARY
SIR CHARLES PHILIP HADDON-CAVE, K.B.E., C.M.G., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY
SIR JOHN HENRY BREMRIDGE, K.B.E., J.P.

THE HONOURABLE THE ATTORNEY GENERAL
MR. MICHAEL DAVID THOMAS, Q.C.

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

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

THE HONOURABLE DAVID AKERS-JONES, C.M.G., J.P.
SECRETARY FOR DISTRICT ADMINISTRATION

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, C.B.E., J.P.

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

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

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

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

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

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

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

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

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

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

THE HONOURABLE ALLEN LEE PENG-FEI, O.B.E., J.P.

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

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

THE HONOURABLE HU FA-KUANG, J.P.

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

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

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, O.B.E., J.P.

THE HONOURABLE CHAN KAM-CHUEN, J.P.

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

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

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, J.P.

DR. THE HONOURABLE HENRIETTA IP MAN-HING

THE HONOURABLE PIERS JACOBS, O.B.E., J.P.
SECRETARY FOR ECONOMIC SERVICES

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

THE HONOURABLE CHAN NAI-KEONG, J.P.
SECRETARY FOR LANDS AND WORKS

THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, J.P.
COMMISSIONER FOR LABOUR

THE HONOURABLE CHAN YING-LUN

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN

THE HONOURABLE PETER POON WING-CHEUNG, M.B.E., J.P.

THE HONOURABLE JAMES NEIL HENDERSON, O.B.E., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE GEOFFREY THOMAS BARNES, J.P.
SECRETARY FOR HEALTH AND WELFARE (*Acting*)

ABSENT

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

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.
SECRETARY FOR TRADE AND INDUSTRY

THE HONOURABLE YEUNG PO-KWAN, C.P.M.

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:	
Buildings Ordinance.	
Buildings (Lifts) (Amendment) Regulations 1983.....	367
Evidence Ordinance.	
Evidence (Authorized Persons) (No. 9) Order 1983	371
Evidence Ordinance.	
Evidence (Authorized Persons) (No. 10) Order 1983	372
Miscellaneous Licences Ordinance.	
Miscellaneous Licences (Amusement Game Centre) (Exemption) Order 1983	373
Registration of Persons Ordinance.	
Registration of Persons (Application for New Identity Cards) (No. 7) Order 1983.....	374
Education (Amendment) Ordinance 1983.	
Education (Amendment) Ordinance 1983 (Commencement) Notice 1983...	375
Education (Amendment) Regulations 1983.	
Education (Amendment) Regulations 1983 (Commencement) Notice 1983	376
Companies Ordinance.	
Companies (Fees) (Amendment) Order 1983	377
Evidence Ordinance.	
Evidence (Authorized Persons) (No. 11) Order 1983	378
Evidence Ordinance.	
Evidence (Authorized Persons) (No. 12) Order 1983	379
Evidence Ordinance.	
Evidence (Authorized Persons) (No. 13) Order 1983	380
Massage Establishments Ordinance 1983.	
Massage Establishments Ordinance 1983 (Commencement) Notice 1983 ...	381
Massage Establishments Regulations 1983.	
Massage Establishments Regulations 1983 (Commencement) Notice 1983.	382

Sessional Papers 1983-84:

No. 22—Emergency Relief Fund—Annual Report by the trustee for the year ending 31 March 1983.

No. 23—Jubilee Sports Centre, Hong Kong—Annual Report 1982-83.

Oral answers to questions

Standard of auditing

1. MISS DUNN asked:—*In the light of some recent company failures, which might have involved the falsification or inadequacies of accounts, is the Government satisfied with the standard of auditing in Hong Kong?*

THE FINANCIAL SECRETARY:—Sir, I am never satisfied with any standards, for there is always room for improvement. This response will not, however, be sufficient for Miss DUNN.

For obvious reasons I intend to pick my words very carefully. The control of the accountancy profession is vested by the Professional Accountants Ordinance in the Hong Kong Society of Accountants. In their last annual report the following wise words appear:

‘This has been a year in which certain companies engaged in property speculation and finance have collapsed in spectacular fashion. From what has been gleaned in public there have been questionable transactions at the heart of the matter. This has led to comment in the media implying that the auditors may have been negligent in these cases. These comments have been a matter of great concern to the Council and, apart from its internal review, has reinforced its determination to emphasize the professionalism of members.’

I share the concern of the responsible Council whom I hold in high regard. I wish them well in the exercise of their determination, which I shall observe with great interest. Internal self-control is much to be preferred to further legislation. The latter is a final step always to be held in abeyance and used only if other measures do not prove successful.

I do not intend to generalize from one or two particular odd incidents. This would be unfair, misleading and quite detrimental to Hong Kong. But there do appear to me arguably to have been isolated lapses below the high standards that the community rightly respects—and indeed must require. There may of course also be lessons to be learned from the forthcoming inspectors’ reports into the affairs of Eda and Carrion.

MISS DUNN:—*Sir, while I fully agree that it would be unfair to generalize from particular incidents, does the Government agree that it is a regrettable fact of life that it is the odd incidents which cast doubt on the entire profession and, indeed, on Hong Kong as a sophisticated financial centre?*

THE FINANCIAL SECRETARY:—Yes, Sir, I do.

MISS DUNN:—*Sir, would the Government inform this Council in due course the lessons which it learns from the Eda and Carrion affairs?*

THE FINANCIAL SECRETARY:—I think that is a little bit jumping the gun because we haven't had the reports yet and we haven't yet decided what is to be done with the reports, but I regard it as inconceivable that the outcome at some time or other should not come before this Council.

Sale of alcohol to young persons

2. MRS. CHOW asked:—*In view of the recent revelation concerning alcohol consumption by youths, will Government please state whether present laws are adequate to prevent the sale of alcohol, both over the counter and in licensed establishments, to minors, and whether they are being enforced?*

THE ATTORNEY GENERAL:—Sir, it is an offence for a licensee to permit young persons to drink intoxicating liquor in licensed premises. There are no restrictions in law upon the sale of alcohol to young persons in retail establishments. My Chambers have received no representations from any quarter that the law ought to be amended or strengthened in any way to combat the sale of alcohol to young people in Hong Kong. The recent conference highlighted world trends towards alcohol abuse by teenagers, but I know of no evidence that this is yet a problem in Hong Kong. Enquiries of the Police and my colleague, the Acting Secretary for Health and Welfare, have revealed no real evidence to suggest that local teenagers are obtaining and drinking liquor in excessive quantities.

MRS. CHOW:—*Given that alcoholism may not be a problem as yet in Hong Kong, will Government look into the current situation locally regarding the consumption of liquor by minors so as to keep track of its development?*

THE ATTORNEY GENERAL:—I am sure my colleague the Acting Secretary for Health and Welfare will do that, and any evidence of a mounting problem should be drawn to his attention.

MRS. CHOW:—*Sir, may I ask why is it that the law here is not in line with that in the U.K. in restricting the sale of alcohol to minors in retail establishments?*

HIS HONOUR THE PRESIDENT:—That question is somewhat removed from the original but the Attorney General may answer.

THE ATTORNEY GENERAL:—I will certainly do some research upon that matter. It is a fact that there are differences, and the obvious explanation is that this Council has not yet seen fit to bring the two into line. *(laughter)*

Aberdeen Tunnel tolls

3. MR. PETER C. WONG asked:—*Is the Government considering an increase in tolls for private motor vehicles using the Aberdeen Tunnel, and, if so, what is the rationale behind it?*

SECRETARY FOR TRANSPORT:—No, Sir; but may I remind Members that it is Government policy to keep charges under regular review.

MR. PETER C. WONG:—*Sir, I am grateful to the Secretary for Transport for his short but reassuring answer. Will the Secretary also reassure this Council that should an increase be found to be necessary, and I hope it will not be in the near future, such an increase would apply to all classes of vehicles and not just to private vehicles alone?*

Secretary for Transport:—Sir, in the nature of things I cannot give that assurance, with regret.

Agriculture and fishing industries

4. MR. SO asked in Cantonese:—

政府可否告知本局：

(甲) 香港的農業和漁業，各佔本港生產總值百分之幾？

(乙) 政府曾怎樣協助本港的漁農業，以提高其生產量，從而增加它們對整體經濟的貢獻？

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

Will Government inform this Council:

(a) *what proportion of our G.D.P. is attributed to local agricultural and fishing industries respectively; and*

(b) *what assistance has been offered to these industries in order to increase their output and hence contribution to the overall economy?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, in 1982 the local agricultural and fishing industries had a net output of \$1,300 million, which represented just under 1% of the Gross Domestic Product. Since 1973, the value in real terms of agricultural and fishing production has been increasing at an annual average

rate of 1.7% and 3.6% respectively. This compares with the growth rate of the G.D.P. of 9.6% per annum on average over the same period. So the proportion of the G.D.P. attributable to agriculture and fishing has been falling.

The growth rates attributable to agriculture and fishing are, however, no mean achievement when we take account of the continual loss of agricultural land and the restrictions on fishing grounds imposed on the local fishing fleet. The continued growth in the output of these industries can largely be attributed to improved productivity, new production concepts and new technology.

The Agriculture and Fisheries Department is the responsible department for providing government assistance in this field. The assistance offered includes the provision of technical advice and services, vocational training courses, credit facilities and orderly and efficient wholesale marketing. New production methods have also been introduced and promoted.

As regards credit facilities, loans from seven loan funds established for the purpose of improving productivity and facilitating development work are available to local farmers and fishermen. The current capital of these funds is \$12.2 million for agriculture and \$19.2 million for fisheries. During the last financial year, 1 167 loans amounting to \$12.7 million and 113 loans amounting to \$8.17 million were issued to farmers and fishermen respectively.

To complement the efforts made by the Department to improve productivity, the Director of Agriculture and Fisheries, in his capacity as Director of Marketing, also provides marketing facilities under the Vegetable and Fish Marketing Organizations. The terms of reference of these organisations include provisions not only for the collection, transportation and sale of local produce but also for services to improve agricultural and capture fishing industries generally.

There is thus a well established and full range of technical, vocational, credit and marketing assistance being offered to these industries to increase their output and contribution to the overall economy.

MR. SO asked in Cantonese:—

閣下，一般來講，本港的農產和漁產，各佔本港需求的百份之幾？

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

Sir, in general what percentage of the total demand is met by the produce of the local agriculture and fishing industries?

SECRETARY FOR ECONOMIC SERVICES:—Sir, the answer is that the domestic agriculture industry supplies an overall 33.7% of total local consumption and, on the fisheries side, an overall 53% of marine fish including shell fish—these are produced locally.

(The following written reply was provided subsequently.)

In my reply I said that the domestic agriculture industry supplies an overall 33.7% of total local consumption. But I would like to make it clear that this percentage refers to four categories of food only, namely live pig, poultry, fresh vegetables and fresh water fish. You will appreciate that there are other food items which are consumed in Hong Kong but not produced locally, for example, rice, beef or frozen meat, and these items are not included in the percentage figure. Owing to the wide diversity of food consumed in Hong Kong, I cannot give you a precise figure for the percentage of food generally produced by the local agriculture industry.

Fire prevention and fire safety measures

5. MR. WONG LAM asked in Cantonese:—

請問政府已採取甚麼行動，以備在當前旱季中減少木屋區火警及山火的危險？

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

What action was taken to reduce the danger of squatter fires and hill fires in preparation for the present dry season?

SECRETARY FOR SECURITY:—

Squatter fires

Sir, I will deal first with specific measures relating to squatter fires. During the first ten months of this year, the Fire Services Department conducted over 1 200 visits to squatter areas to publicize fire safety measures for the dry season. At the same time, they took the opportunity to encourage mutual aid committees to set up fire watch teams and to help them as necessary. As a result, 33 new fire watch teams have been formed in squatter areas and have undergone, or are undergoing, training by the Fire Services Department.

In addition, the Fire Services Department has this year carried out 12 large scale exercises in selected squatter areas potentially vulnerable to fire, so that the staff will be well acquainted with the areas should fires occur there.

So far this year, the Squatter Area Improvements Division of the Housing Department has implemented improvements in 17 squatter areas. It has paid particular attention to fire safety, including the provision of fire breaks and water pipe lines with fire hydrants. It will continue this programme until all squatter areas have been provided with such facilities.

Illegal tapping of electricity is one of the main causes of squatter fires. To combat this problem, the police are active in detecting and prosecuting offenders. As the Secretary for Housing said in this Council in 1981, the aim of the Housing Authority is to provide legal supplies wherever practicable.

Hill fires

As regards hill fires, a Joint Working Party on countryside fires comprising representatives of the Fire Services Department, Agriculture and Fisheries Department and the Royal Hong Kong Police Force has been operating since 1980. This Working Party co-ordinates the Government's efforts to combat fires in the countryside, including planning and implementing publicity on the prevention of countryside fires.

The Country Parks Authority has introduced a number of measures to improve fire fighting capabilities in country parks. Jeep tracks, footpaths and helipads have been constructed to ease the movement of fire fighting vehicles and personnel. New fire breaks and water points have been provided and additional management centres have been set up to enable fire crews to be more efficiently deployed.

Tree plantations have been thinned and pruned and efforts have been made to remove grass and undergrowth. The emphasis in the present planting programme is on broad leafed trees, which are less prone to fire than the pines previously planted. To improve the detection of fire, the Agriculture and Fisheries Department has increased the number of fire look out towers in country parks from eight to 12 this year. These towers are in direct radio communication with the Department's Country-side Fire Control Centre.

Arrangements have been made with the auxiliary forces to ensure that additional manpower and resources are readily available at short notice, to help combat hill fires. We are making increasing use of the Royal Hong Kong Auxiliary Air Force, backed up by the Royal Air Force, for water bombing and air-lifting fire crews to remote locations.

Publicity

In addition to the operational activity I have just described, the Government goes to considerable effort to reduce squatter fires and hill fires through publicity on fire prevention. It continues to accord this subject major campaign status and during the current year is spending \$600,000 to this end. It is giving top priority to fire prevention messages in the form of 'Announcements of Public Interest' on T.V. and radio.

In the urban areas, fire prevention posters are on display at more than 200 sites in 50 squatter areas. Further posters are displayed at other Government sites and in all M.T.R. stations. These posters emphasize the importance of electrical safety. The District Offices are distributing leaflets giving advice to fire watch teams in squatter areas.

The Agriculture and Fisheries Department's management centres are distributing large numbers of leaflets giving advice on the prevention of fire in country parks. Other leaflets, available from a number of outlets, include, as part of the Country Code, information on the prevention of fires in the countryside.

Every day the radio and television stations issue repeated graded fire warnings advising the public to exercise commonsense and to take basic fire precautions if they are visiting the countryside.

Sir, I must emphasize that all these efforts will only be effective with the cooperation of the public and I would like to take this opportunity to appeal to all residents in squatter areas and to all visitors to the countryside, to exercise particular care and vigilance and to observe basic fire precautions during the current dry season.

MR. WONG LAM asked in Cantonese:—

閣下，請問在這十七個木屋區着手改善消防水管連接消防喉，其他木屋區會否造這項工程和設施？

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

Sir, apart from the 17 squatter improvement areas, will fire prevention facilities be introduced in other squatter areas?

SECRETARY FOR SECURITY:—Sir, in the 17 squatter areas which I understand my honourable friend is referring to, there are no plans to introduce further improvements. If further improvements are seen to be necessary I have no doubt whatsoever that they will be introduced.

Child abuse

6. MRS. CHOW asked:—*Will Government inform the Council:*

- (a) Whether child abuse is developing into a serious social problem;*
- (b) what is being done to monitor the situation; and*
- (c) what action Government is taking or intends to take to assist voluntary agencies in preventing and containing the problem?*

SECRETARY FOR HEALTH AND WELFARE:—

(a) Sir, child abuse, in itself, is a serious social problem—one of the saddest of all. Even one instance of child abuse is one too many.

Statistics show that at 30 September 1983 there were 316 active cases of child abuse, of varying degrees of seriousness, known to the Social Welfare Department, compared with 315 cases at the end of September 1982. In 1982 there were 300 new cases reported; and in the first nine months of 1983 there were 205 new cases.

These numbers do not, in themselves, indicate any increase in child abuse; but the Administration is none the less concerned that they may represent only part of the whole problem.

Regrettably there is no sure way of discovering the full extent of *unreported* child abuse in Hong Kong, and thus being able to measure whether the problem is increasing.

What *has* developed is the Government's awareness of child abuse, and with this has come increased public education and publicity. As a result we can expect an increase in reports of suspected child abuse, as well as greater understanding of the problem and better methods of monitoring and coordinating reported cases. In this connection I cannot emphasize too strongly the importance of suspected cases being reported as early as possible.

(b) Monitoring is undertaken as follows. Under existing administrative procedures, all cases of suspected child abuse brought to the attention of Government departments such as the Medical and Health Department or the Police are reported to the Social Welfare Department and investigated. In addition, voluntary agencies submit returns of the number of cases they deal with to the Social Welfare Department's Operations Branch where overall statistics are compiled. Individual cases of a more serious nature likely to require statutory intervention are monitored and handled by the Child Protective Services Unit of the Social Welfare Department. This Unit was established in June this year and at the end of November was dealing with 102 cases, of which 84 were statutory.

(c) Public education is an important preventive measure and the voluntary agencies are well placed to play a major role here through their on-going family education programmes. To assist the voluntary agencies in preventing and containing cases of child abuse the Government co-ordinates family life education programmes, organizes publicity and subvents family service centres.

In the actual handling of child abuse cases the Government ensures that there are clear procedural guidelines for voluntary agencies and others to follow, and the Social Welfare Department takes over a case from a voluntary agency when it is considered necessary to apply statutory powers under the Protection and Women and Juveniles Ordinance e.g. for a care and protection order. It is also intended that the role of the Child Protective Service Unit should be reviewed shortly to consider the delineation of responsibilities between the Social Welfare Department and the voluntary sector. In this and other aspects of the subject the Administration intends the safety and welfare of the child to be the main consideration in each case.

MRS. CHOW:—*Sir, is there evidence to show that the majority of these child abuse cases occur in public housing estates?*

SECRETARY FOR HEALTH AND WELFARE:—I have no evidence to that effect, Sir.

DR. HO:—*Sir, will Government consider making it mandatory to report cases of child abuse by teachers or by medical doctors to the Police or the S.W.D.?*

SECRETARY FOR HEALTH AND WELFARE:—The Director of Social Welfare will undertake research and study the implications of the administration and enforcement of mandatory reporting in Hong Kong having regard to cultural and other differences between Hong Kong and those countries where this has been adopted.

MRS. CHOW:—*Sir, is the Government implementing the recommendations put forward by the report of the Working Group on child abuse which was conducted earlier a few months ago and how will proper co-ordination of the work of the voluntary agencies and the Social Welfare Department be ensured in the on-going battle against child abuse?*

SECRETARY FOR HEALTH AND WELFARE:—The 32 recommendations of the report have been accepted by the Secretary for Health and Welfare (*substantive*) and they have been referred to the Director of Social Welfare for implementation. In six months' time the Working Group will be reconvened to review the working of the revised procedures, to assess the implementation of the report and to consider the need for further improvements. I shall ensure that Mrs. CHOW's point is taken into account.

Refuse storage chambers in new multi-storeyed buildings

7. MR. SO asked in Cantonese:—

有關擬訂法例，規定新建多層大廈必須設有垃圾房一事，請問目前情況如何？

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

What is the position regarding the preparation of legislation on the mandatory provision of refuse storage chambers in new multi-storeyed buildings?

SECRETARY FOR HEALTH AND WELFARE:—Sir, the present position is that a bill has been drafted to amend the Buildings Ordinance to enable the Governor in Council to make regulations relating to the mandatory provision of refuse storage chambers in new multi-storeyed buildings. It is intended that the amendment bill should be submitted to the Executive Council in early 1984. In addition, and following extensive consultation, regulations have been drafted to require all new building developments, with certain exceptions, to include plans for refuse storage chambers in which all the refuse from the buildings may be stored pending collection. The intention is to minimize the number of on-street refuse collection points and to improve the hygiene conditions in multi-storeyed developments.

Light rail transit system

8 CHEUNG YAN-LUNG asked:—*Will the Government explain why it favours a light rail transit system, for the link between Tuen Mun and Yuen Long, as opposed to a surface or underground rail system?*

SECRETARY FOR TRANSPORT:—Sir, I am grateful for this opportunity to clarify this matter which has been raised several times since the announcement on 22 November about this project.

Since the original L.R.T. study in 1977, development plans for the Western New Territories have added Yuen Long to the list of new towns, and Tin Shui Wai has been included as a development for 135 000 people initially. When fully developed, the Western New Territories will contain over 800 000 people in an area larger than the Kowloon Peninsula. Thus the character of the original L.R.T. has been changed from a local town system to regional rapid transit system for the Western New Territories. The system as now designed will provide not only an internal network for Tuen Mun itself, but also a link between Tuen Mun and Yuen Long; and it has the potential for extension to Tsuen Wan, where an interchange could be provided with the M.T.R.

The choice between a light rail system and a heavy rail system is determined by reference to passenger volumes and to costs. A light rail system such as the one under discussion could carry up to 35 000 people per hour. Heavy rail systems, such as the Mass Transit Railway and the Kowloon-Canton Railway can carry up to 60 000 people per hour.

A ground-level heavy rail system would cost about 2½ times as much per kilometre as an L.R.T., and an underground heavy rail system would cost more than that.

The predicted maximum volume for the full potential L.R.T. network in the Western New Territories does not exceed 35 000 people per hour.

L.R.T. was therefore chosen as providing an adequate and economic high quality rail system for this area.

MR. CHEUNG YAN-LUNG asked in Cantonese:—

閣下，請問元朗兩字的定義，是否包括錦田和新田？

(The following is the interpretation of what Mr. CHEUNG Yan-lung asked.)

Sir, does Yuen Long by definition include Kam Tin and San Tin?

SECRETARY FOR TRANSPORT:—I can't answer precisely, Sir; this will depend on the population levels in the two places named. Could I reply in writing on the matter?

(The following written reply was provided subsequently.)

It is not proposed to extend the L.R.T. network as far as Kam Tin or San Tin, because their population is not large enough.

MR. CHEUNG YAN-LUNG asked in Cantonese:—

運輸司曾否就輕便鐵路屯門至元朗以及屯門至荃灣兩線之未來乘客量，作出深入調查，估計或探討？

(The following is the interpretation of what Mr. CHEUNG Yan-lung asked.)

Sir, has the Secretary for Transport made any in-depth study, investigation and estimation of the future passenger capacity between Tuen Mun and Yuen Long and Tuen Mun and Tsuen Wan?

SECRETARY FOR TRANSPORT:—Sir, all planning and analysis of future transport systems depends on forecasts of population growth and distribution and on the types of travel. There are very sophisticated ways of building computer models for this purpose, for example, the modelling which was done for the Mass Transit Railway. Similar work has been done in respect of the Western New Territories, and I will with pleasure supply Mr. CHEUNG with the details of the two particular stretches to which he refers.

MR. CHARELS YEUNG:—*Sir, the Secretary for Transport has mentioned that the predicted maximum volume for the full potential L.R.T. network does not exceed 35 000 people per hour. Is that the maximum prediction for the traffic to be generated between Yuen Long and Tuen Mun?*

SECRETARY FOR TRANSPORT:—Sir, perhaps I should have explained that the figure 35 000 per hour represents the maximum volume which can be taken across one particular point in the network in an hour. It does not represent the total number of passengers carried on the whole system in an hour.

MR. CHARLES YEUNG:—*Sir, in that case would the Secretary for Transport kindly inform this Council as to what is the prediction of the volume of traffic between these two places?*

SECRETARY FOR TRANSPORT:—Sir, may I do that in writing? It is a fairly difficult, technical point and I don't have it at my finger-tips.

(The following written reply was provided subsequently.)

Patronage forecasts produced in August 1983 estimate the number of passengers using the L.R.T. between Tuen Mun and Yuen Long as 84 000 in 1986, rising to 120 000 in 1991, and to 140 000 in 1996.

MR. CHARLES YEUNG:—*Sir, since the answer is to be in writing, would the Secretary also answer the point in writing about the prediction of light-rail travellers from Tuen Mun, Yuen Long to the urban area?*

SECRETARY FOR TRANSPORT:—Yes, Sir, our analyses do include those figures, but I will so provide.

(The following written reply was provided subsequently.)

The total predicted volume for the full L.R.T. network in 1996 is 515 000 trips per day. About 47% of these will be part of trips made by passengers going outside and coming into the region.

MR. CHAN KAM-CHUEN:—*It seems the emphasis is on passengers in talking about the L.R.T. Does the question of freight come into consideration?*

SECRETARY FOR TRANSPORT:—No, Sir. This is a passenger system and it will be very similar in style to the M.T.R. and the K.C.R.

Triad activities

9. MR. SO asked in Cantonese:—

政府可否說明目前本港的黑社會活動情況，及已採取甚麼行動去對付這類有組織犯罪活動？

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

Will Government make a statement on the current situation of triad activities in Hong Kong and the action being taken to combat this form of organized crime?

SECRETARY FOR SECURITY:—Sir, this is not a particularly easy question to answer at the present time. The Fight Crime Committee in 1977 took a certain view of triads. The reconstituted Fight Crime Committee is now having another look at the problem to see whether or not the decisions of its predecessor were based on an assumption that triads were less significant than they are now.

Thus the answer I give today would not necessarily be the one I would give after the Fight Crime Committee has concluded its deliberations. But any differences are likely to be ones of degree. I think it is a well established fact that triads are active in Hong Kong and have got themselves involved in a criminal way in a wide range of activity, including the provision of certain essential services to the public, extortion and the control of vice. The services in which they have got themselves involved include the partitioning and fitting out of buildings in Temporary Housing Areas, the decoration of flats in public housing estates and the illegal supply of electricity and water in squatter areas.

They also extort protection money from contractors on construction sites and from small business. They exert influence in our markets and abattoirs and lower level triad elements are involved in extortion from hawkers. Their main sources of income include the control of prostitution, illegal gambling and loan sharking. I would be surprised if they were not also involved in the narcotics rackets.

Action against triads is taken on a broad front.

On the streets, police divisions and districts take action against localized triad activities, with serious offences being handled on a regional basis. The Police Criminal Intelligence System collates intelligence about triad activities at all levels and identifies areas suitable for specifically targetted operations.

It is also the Government's policy to reduce where possible the opportunities for the gangs to operate. For example, the Housing Department will in future be

undertaking the partitioning and fitting out of temporary housing units. As a further example, as I said in answer to an earlier question today, the aim of the Housing Authority is to provide legal supplies of electricity wherever possible, and this is pretty nearly achieved.

As far as the young are concerned, the Police, the Education and Social Welfare Departments and the voluntary agencies provide services designed to prevent young people turning to crime in general and becoming involved with triads in particular.

There is a need to co-ordinate the efforts of the various Government departments involved in combatting triad activities. This role is fulfilled by two sub-committees of the Fight Crime Committee. The Co-ordinating Group Against Triads determines specific problem areas and recommends remedial action. The Sub-Committee on Unruly and Delinquent Behaviour in Schools provides a forum for keeping under regular review action against the activities of criminal gangs in schools.

MISS DUNN:—*Sir, can it be inferred from the answer that triad activities are on the increase and are spreading into many spheres of Hong Kong life?*

SECRETARY FOR SECURITY:—*Sir, this is exactly the point which will have to come out of the Fight Crime Committee's deliberations of its predecessor's decision.*

MISS DUNN:—*I am sorry, Sir, I do not understand that answer.*

SECRETARY FOR SECURITY:—*The answer to my honourable friend's point, Sir, will come out of the deliberations of the present Fight Crime Committee when it reconsiders the view its predecessor took in 1977 on triads.*

MISS DUNN:—*Does that mean that the Government does not know at this moment in time whether triad activities are on the increase or decrease?*

SECRETARY FOR SECURITY:—*Yes, Sir, that is absolutely correct. Triads are very elusive organization.*

Street sleepers

10. MR. CHAN YING-LUN asked:—*Given that a number of street sleepers die each winter from the cold, will Government inform this Council what positive measures will be taken this year to encourage street sleepers to accept Government assistance?*

SECRETARY FOR HEALTH AND WELFARE:—*Sir, encouragement to street sleepers to accept Government assistance is provided in the following ways:*

- (a) by the Social Welfare Department and voluntary agencies seeking out and informing street sleepers of the availability of assistance; and
- (b) by social workers persuading individual street sleepers to accept assistance and to take note of the details of services available, and providing direct help over such matters as obtaining housing, I.D. cards, job placement, baths, haircuts and public assistance.

As in previous years various other types of assistance are available. There is a standing arrangement for the Social Welfare Department to open community halls and community centres in which street sleepers may take shelter, if they wish to do so, whenever the temperature is expected to fall to 10 C or below. Hot drinks are provided on these occasions. Blankets will also be distributed without depending on any specific temperature, when it becomes cold enough to cause obvious discomfort. In addition field units review cases throughout the year in order to identify the most vulnerable street sleepers so that individual action can be taken to meet their needs as far as possible.

Some street sleepers are unwilling to accept assistance, and this is particularly true of those who suffer from mental illness. Such persons are sometimes difficult to deal with if they are not causing any obstruction or disturbing the peace. I am considering what direct action can be taken with regard to this particular group.

MR. CHAN YING-LUN:—*Sir, it has been pointed out that, to help the street-sleepers, co-ordination of the efforts of the various Government departments is necessary. Is the Secretary for Health and Welfare satisfied with such coordination at present?*

SECRETARY FOR HEALTH AND WELFARE:—The question of co-ordination is a matter which will be referred to the Director of Social Welfare and considered by him, Sir.

Urban renewal programmes

11. MR. CHAN YING-LUN asked:—*Will Government inform this Council of its urban renewal programmes, the time frame for their implementation and the difficulties likely to be encountered?*

SECRETARY FOR LANDS AND WORKS:—Sir, the Government's efforts in recent times to promote the renewal and improvement of older and environmentally sub-standard urban areas have their origins in the 1965 Report of the *Working Party on Slum Clearance*.

To begin with, an *Urban Renewal District* was designated, covering Sheung Wan and Sai Ying Pun, within which an area was chosen for the implementation of a pilot scheme. The *Pilot Scheme* was initiated in 1969 on the basis of

statutory Outline Zoning and Layout Plans. Although the intention was that land should be acquired by negotiation as far as possible, it was also accepted that statutory land acquisition powers might need to be used as a last resort, thus recognizing that implementation of the Scheme was a public purpose.

In 1973, in a second approach to the problem, four *Environmental Improvement Areas* were defined, consisting of the remainder of the original Urban Renewal District, Wan Chai, Yau Ma Tei, and Tai Kok Tsui, where comprehensive renewal was not considered practicable. The objective in these areas is to upgrade the environment by obtaining more land for Government, community and recreational facilities as and when the opportunity arises. Once again, statutory town plans are the basis of the approach and the improvement process in all four areas is a continuing one.

Also in 1973, the Governor in Council agreed to support an *Urban Improvement Scheme* proposed by the Hong Kong Housing Society involving the redevelopment of relatively small sites occupied by dilapidated properties in fragmented or absentee ownership. This Scheme is also continuing.

The picture would not be complete without a reference to the *Housing Authority's* extensive *estate redevelopment schemes*.

Of course not all urban renewal is dependent on or subject to Government programming. The private sector undertakes *redevelopment schemes* on its own initiative. These range from small single site schemes to very large comprehensive redevelopment projects. The Town Planning Board takes a positive view of any such schemes coming before it.

As to the *time frame* for the implementation of the programmes to which I have referred, it will be clear that urban renewal, by its very nature, is a long-term and therefore a continuous process. Implementation, whether by the Government or the private sector, depends on demand, opportunity, size and relative difficulty of the project, and the availability of resources. A flexible rather than a fixed time frame has therefore to be adopted.

A consultants' report on the concept of *Land Development Corporations* recently completed and now being considered by Government includes an examination of the urban renewal context. The study has confirmed that, where pressure for redevelopment exists but is frustrated, the main obstacle is the difficulty of assembling sites of a sufficient size to provide development gains. Particular problems are caused by multi-ownership, absentee owners, and the potential bargaining power of the owner of the last title to be acquired.

In general, the difficulties which the Government has encountered in attempting to implement its own urban renewal programmes have been the human problems, such as resistance to change and disruption, the practical problems of providing housing and other facilities, and the administrative problems of relating resources and programmes and overall co-ordination.

Proposals have been formulated to improve the planning and programming of urban renewal. These include the establishment of a *Co-ordinating Urban Renewal Team* within the Town Planning Division of the Lands Department, which would provide a comprehensive overview of urban renewal programmes and projects, improve the co-ordination of the efforts of the various agencies involved and help advance the programmes. The Special Committee on Land Supply has given support to this proposal and it will be considered by the Land Development Policy Committee very shortly.

MR. CHAN YING-LUN:—*Sir, what will be the role of District Boards in the urban renewal programme?*

SECRETARY FOR LANDS AND WORKS:—Upon designation of a district for urban renewal the first task would be to have a detailed layout plan prepared for the renewal project. At that stage the relevant District Board will be consulted so that local needs and local views will be taken into account before the layout plan is finalized. And I would also envisage that during implementation, as and when problems of human and social nature arise the District Board could also be involved.

Electronic Road Pricing

12. MRS. NG asked in Cantonese:—

政府曾否徵詢各區議會對電子道路收費計劃的意見？若然，曾徵詢的區議會有多少個？它們對該計劃有甚麼意見？

(The following is the interpretation of what Mrs. NG asked.)

Is Government consulting District Boards on the Electronic Road Pricing Scheme? If so, how many District Boards have been consulted and what are their views on the scheme?

SECRETARY FOR TRANSPORT:—Sir, Government is indeed consulting District Boards on this matter. An information paper on electronic road pricing has been sent to the District Boards. So far, four Boards have discussed it, either as full Boards or in their Traffic and Transport Committees. The need to tackle congestion and the necessity for measures to restrain private cars, balanced by improvements to public transport and in traffic management, are generally accepted. It would regrettably not yet be correct to say that everyone is persuaded of the virtues of Electronic Road Pricing as the most acceptable means of achieving this, but one of the objectives of the pilot scheme is to inform the public fully and to assess how drivers and the public would react to a full scheme.

MRS. NG asked in Cantonese:—

在政府得到試驗計劃結果之後，會否徵詢各區議會的意見呢？

(The following is the interpretation of what Mrs. NG asked.)

When the results of the pilot scheme are available, will District Boards be further consulted?

SECRETARY FOR TRANSPORT:—Yes, Sir, I think that will be the case.

MRS. NG asked in Cantonese:—

在最後決定是否實施電子道路收費計劃的時候，會否考慮各區議會對試驗計劃的意見？

(The following is the interpretation of what Mrs. NG asked.)

When finally deciding on whether to implement the E.R.P. scheme, will the Government take into consideration the views of the District Boards?

SECRETARY FOR TRANSPORT:—Yes, Sir, we shall not wait until then. We shall consider them as and when they come up, Sir,

MRS. CHOW:—*Is it not true that some D.B.s have found difficulty in commenting on the scheme due to a lack of information in spite of the presentation of the paper and what is Government to do about this?*

SECRETARY FOR TRANSPORT:—Sir, I have heard that comment in respect of one of the four District Boards so far, and what we shall do is to provide replies to every question which is addressed to us in the greatest possible detail. I would not wish anyone to think we are hiding anything in respect of this scheme.

Overstayers

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

- (a) *how many persons subject to immigration control have over-stayed in Hong Kong during the past 12 months and how many of them have been repatriated? and*
- (b) *were any of those overstayers also guilty of other criminal offences and, if so, what were the nature of their offences?*

SECRETARY FOR SECURITY:—Sir, there were 2 356 overstayers during the 12 months ending 30 September 1983. About 1 620 of these have been repatriated so far.

There were only two cases of overstayers being convicted of criminal offences, other than immigration offences, during the past 12 months. One was convicted

of theft and of wasteful employment of police resources (under section 91(2) of the Criminal Procedure Ordinance) and the other was convicted for using an identity card relating to another person.

DR. HO:—*Sir, among the 2 200 odd overstayers as quoted in the first paragraph of the answer, may I know:*

- (a) the distribution of these overstayers as to their countries of origin; and*
- (b) for how long on the average these overstayers had resided in Hong Kong before they were detected?*

SECRETARY FOR SECURITY:—*Sir, on the 2 356 overstayers, their origins were as follows:*

993 from China, 358 from Thailand, 243 from the United Kingdom, 154 from the U.S.A., 61 from the Philippines, 48 from Australia, 43 from Canada, 31 from Japan, 27 from India, 25 from Pakistan, 17 from Taiwan, 17 from Indonesia, and 339 from elsewhere.

I must admit, Sir, that I do not have statistics on the length of time that they had been overstaying but what I can say is that the cumulative number of overstayers is roughly 2 000 only. So I would suggest that they don't in fact overstay for very long, and the Immigration Department manages to sort them out fairly quickly.

Lantau ferry services

14. CHEUNG YAN-LUNG asked:—*Is the Government aware of the difficulties caused to villages neighbouring Tai O and Tung Chung whose regular ferry service, of some 45 years standing, ceased on 1 December and can steps be taken to ensure the inter-village kaito service operates on a regular basis (and at reasonable cost) and that road connections between these villages are improved as early as possible?*

SECRETARY FOR TRANSPORT:—*Sir, the cancellation of this long-standing ferry service, which has indeed caused inconvenience to villagers, has come about through declining use. When recently surveyed, the ferry was carrying less than 100 passengers per day on weekdays. Its capacity is for over 500 passengers. It has, obviously, been operating at a considerable loss. The proposal to cancel it was given very careful consideration and was decided with the advice of the Transport Advisory Committee.*

The decline in use reflects to some extent the increasing use of other modes of transport. Both Tai O and Tung Chung are connected by bus to Mui Wo, which provides frequent ferry services to Central. Steps are being taken to improve the road system linking the other villages, to provide better access to the bus network.

There are regular kaito services, which inter-connect the villages in question, and with Tuen Mun and Sham Tseng in the New Territories. Their fares are, I believe, Sir, quite reasonable. The Commissioner for Transport will keep in close contact with the providers of these services and will encourage them as necessary.

The Hongkong and Yaumati Ferry Company will continue to operate its service to Central on Sundays and public holidays.

MR. BROWN:—*Will the Secretary for Transport tell us whether the views of the District Board were taken into consideration before the decision to terminate the services was made?*

SECRETARY FOR TRANSPORT:—Yes, Sir, they were. But with regret we could not accede to their request.

MR. BROWN:—*In regard to the steps being taken to improve the road, could the Secretary tell us how long it is likely to take before there is a road access between Sha Lo Wan and Tai O?*

SECRETARY FOR TRANSPORT:—I think, Sir, this will be done from Local Public Works vote and it will take two years to carry through the whole project at a cost of about \$800,000.

MR. BROWN:—Sir, as the main requirement for the road is to transport agricultural produce and as the road does not actually have to be so good as to take motor cars or trucks etc. but merely motorized vehicles, could this programme not be speeded up on a temporary basis?

SECRETARY FOR TRANSPORT:—Sir, I can assure you we have no intention of spending more on the road or making it better than necessary, but I will make every effort to get it done as quickly as possible.

MR. CHAN YING-LUN:—*Will the Secretary for Transport inform us whether the kaito services have been improved since suspension of the ferry service on 1 December?*

SECRETARY FOR TRANSPORT:—Yes, Sir, they have.

Statement

Jubilee Sports Centre, Hong Kong Annual Report 1982-1983

SECRETARY FOR HOME AFFAIRS:—Sir, among the papers tabled today is the 1982-1983 Annual Report of the Jubilee Sports Centre which has now completed its first full year of operation.

As well as catering for top sportsmen the Centre has inaugurated several programmes for the general public, and hosted a series of international events.

The use of both residential and sporting facilities is building up. Some 300 000 visits to the Centre have been made by Hong Kong sportsmen and women. The Centre is also attracting overseas interest and was spoken highly of by the President of the International Olympic Committee, Mr. Juan SAMARANCH, when he called.

The Centre's coaches have been working closely with their respective governing bodies of sports, from national to junior levels, and this partnership is clearly paying dividends in terms of improved international performances.

As a member of the Board I can say that we greatly appreciate the continuing support of the governing bodies of sport, the Recreation and Sport Service and the Amateur Sports Federation and Olympic Committee. All the running costs of the Centre are met by the Royal Hong Kong Jockey Club which has continued to make generous financial allocations and provided much administrative support.

Government business

Motion

DISTRICT COURT ORDINANCE

THE ATTORNEY GENERAL moved the following motion:—Under section 73A of the District Court Ordinance that, with effect from 1 January 1984, the District Court Ordinance be amended:

- (a) in sections 32(1) and (2), 33(1), 34(1), 37(1), 41 and 52(1)(a) and (d), by deleting ‘\$40,000’ wherever it occurs and substituting in each case the following—

‘\$60,000’; and

- (b) in sections 35, 36, 37(3), 52(1)(c) and 69(3), by deleting ‘\$30,000’ wherever it occurs and substituting in each case the following—

‘\$45,000’.

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

The motion seeks to increase the monetary limits on claims that can be heard and determined in the District Court. The present limits are \$40,000 in actions in contract and tort and in relation to disputes about land, a rateable value of \$30,000. These limits were set by the Administration of Justice (Miscellaneous Amendments) Ordinance 1981. This Ordinance gave effect to recommendations

made in 1979 by a working party chaired by Mr. Justice SILKE. The working party in fact recommended higher limits of \$50,000 and \$40,000 respectively, but following consultation with legal practitioners, the present limits were introduced on the 1 September 1983.

Despite the comparatively recent date on which the existing limits were set, there is again a strong case for revising them. First of all because inflation since 1979 when the working party reported means that the current limits, although only recently introduced, are in fact very much less in real monetary terms than the working party originally proposed. Secondly, because there is still great pressure upon resources in the High Court which would be eased by transferring some of the minor claims to the District Court where there is some spare capacity. This will anyhow tend to diminish cost and delays in litigation since the District Court procedures are intended to provide speedier and less expensive service to the public. The Chief Justice has therefore proposed that the present limits be increased to \$60,000 in actions in contract and tort and in relation to disputes about land, \$45,000 rateable value. These limits in real terms are no higher than those recommended by the working party four years ago. The Law Society and the Bar Association have been consulted and they support the proposed increase in the jurisdiction of the District Court.

Sir, I beg to move.

Question put and agreed to.

First reading of bills

INLAND REVENUE (AMENDMENT) (NO. 5) BILL 1983

DEBTORS (ARREST AND IMPRISONMENT) BILL 1983

JUBILEE SPORTS CENTRE (AMENDMENT) BILL 1983

BUILDINGS (AMENDMENT) (NO. 3) BILL 1983

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

Second reading of bills

INLAND REVENUE (AMENDMENT) (NO. 5) BILL 1983

THE FINANCIAL SECRETARY moved the second reading of:—‘A bill to amend the Inland Revenue Ordinance’.

He said:—Sir, I move that the Inland Revenue (Amendment) (No. 5) Bill 1983 be read a second time.

The Bill seeks only to implement three proposals, indeed promises, I made in the budget debate earlier this year regarding taxation for married women. First, it removes the provision in the present Ordinance which deems a wife to be one and the same person as her husband. Second, it removes the provisions which deem the income of a wife to be that of her husband. Third, it permits husbands and wives to make an election for a joint return and the separate payment of their respective shares of the tax bill.

My proposed provisions will not of course give rise to any savings in the total tax payable by the family unit, but they are not simply cosmetic. They are designed to meet the complaint that the present legislation is archaic and offensive to women, in that it makes them second class citizens; and they will thus accord married women the legal identity which they have properly sought.

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 FINANCIAL SECRETARY.

Question put and agreed to.

DEBTORS (ARREST AND IMPRISONMENT) BILL 1983

THE ATTORNEY GENERAL moved the second reading of:—‘A bill to amend the Supreme Court Ordinance, the Rules of the Supreme Court and the District Court Ordinance to reform the law relating to the arrest and imprisonment of debtors and for connected purposes’.

He said:—Sir, I move the second reading of the Debtors (Arrest and Imprisonment) Bill 1983.

Members will recall that about a month ago, on Thursday 10 November, I said in this Chamber that I intended to bring forward legislation to reform the laws relating to the imprisonment of civil debtors. In doing so I paid tribute to the efforts of Mr. Peter C. WONG in recent times to drive home the point that poverty is not a crime and that it was wrong that anyone should be in jail merely because he could not meet his obligations. I also mentioned on that occasion pending litigation in which arguments were expected to be raised about existing procedures.

Developments since then have made it the more urgent to bring forward fresh legislative because of the legal uncertainties that have been aired in the courts.

Accordingly I now have pleasure in moving the second reading of this Bill. The essential principle contained in the Bill is that in future no civil debtor will be imprisoned without an order of the Court. I believe strongly that it is fundamentally wrong that debtors should be sent to prison at the mere behest of judgment creditors. The figures show that about half the debtors who go to prison are there for between two weeks and three months. Although the Court may then release them if the judgement creditor is unable to show that the debtor's inability to pay is attributable to unjustifiable extravagance, wilful concealment or removal of his properties or other act of bad faith, there are serious delays in practice in obtaining a release and there are punitive elements in this procedure which are inappropriate in this context.

The procedures proposed in the case of judgment debtors will enable judgment creditors to obtain a summons or, in appropriate cases, an order for the arrest of a civil debtor to secure his attendance before a judge for an examination. At that hearing the debtor will be required to disclose his assets and explain his circumstances, give full discovery of his financial documents, and answer all relevant questions.

If the judge is satisfied after hearing the judgment creditor that the debtor, in effect, is able to make some payment, or is deliberately avoiding his obligation, he may order his imprisonment for no longer than three months. At present, the limit is one year but this is far too long and can only be punitive. As an alternative to imprisonment, the judge may order him to satisfy the judgment and, thereafter, if he fails to do so, without good cause, order his imprisonment. The Court will have the power to suspend or vary its orders and make them subject to conditions.

I have also taken note of judicial criticism of the procedure available under Order 44A of the Rules of Court by which it is open to one who claims that he is owed money to arrest the alleged debtor if he appears likely to leave Hong Kong. This plainly has its uses and may not be unfair to those who live or carry on business here, at any rate where liability for the debt is beyond dispute. But in the light of trenchant judicial comments, the Bill proposes that it should no longer be available against foreigners who come to visit Hong Kong. They may not be in a position to provide security to meet the claims and anyhow it is damaging to our friendly relations with other countries that visitors from overseas should be caught here in respect of disputes not yet determined by the Courts. In respect of most of Hong Kong's major trading parties there are satisfactory procedures available for suing debtors in their overseas courts and enforcing a Hong Kong judgement in their own countries. The use of these processes should be encouraged.

I would like to stress that in bringing forward this measure as a matter of urgency I am conscious that there may well be scope for improving details of the procedures proposed. Unofficial Members of this Council, the Judiciary, legal

practitioners, the Rules Committee and the Registrar of the Supreme Court have been consulted in the past two weeks and I am grateful to them for many suggestions, some of which have been embodied in the Bill before the Council and others are being considered as the subject of amendments at the committee stage.

In this connection, Sir, there are two particular matters to which I would like to draw the Council's attention and which I have in mind to introduce an amendment at the committee stage.

Firstly, so far as Order 44A is concerned, I think it would be right, in order to protect debtors from being imprisoned in relation to disputed claims, that the creditor should be required to apply to the Court to turn his claim into a judgment within a short time of obtaining a restraining order. There is a procedure for summary judgment and if the creditor is unable within a few days to satisfy the Court that he has a valid claim, the debtor should be entitled to his release.

The other important amendment that I have in mind is to provide the court with an alternative to arrest and imprisonment both before and after judgment. It would often be just as valuable to the creditor and far less onerous to the debtor if the court had the power to make an order prohibiting the debtor from leaving Hong Kong which could be enforced with the aid of the Immigration authorities and the amendment I am considering would have this effect.

Once the general principle is accepted that it should be the Court and not the creditor who decides if a debtor should be jailed, I am confident that the procedures that are proposed by this Bill will be seen to be of considerable value to creditors in discovering whether debtors have assets or income from which payments can be made, and to ensure that debtors meet their debts so far as their resources permit.

Many countries do not tolerate imprisonment for civil debt. These measures are therefore a compromise which go far to meet the legitimate needs of the financial and trading community in the special circumstances of Hong Kong whilst recognizing that the liberty of the person is an important freedom which only the courts should take away. These reforms, I venture to suggest to the Council, are long overdue, and I hope that these proposals will prove acceptable to this Council.

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

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

Question put and agreed to.

JUBILEE SPORTS CENTRE (AMENDMENT) BILL 1983

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

He said:—Sir, I move that the Jubilee Sports Centre (Amendment) Bill 1983 be read the second time.

The purpose of this Bill is to change the Centre’s financial year to fit in with that of the Royal Hong Kong Jockey Club which is responsible for the recurrent expenditure of the Centre. The proposed new arrangements will take effect from 1 July 1984.

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

Motion made. That the debate on the second reading of the Bill be adjourned—SECRETARY FOR HOME AFFAIRS.

Question put and agreed to.

BUILDINGS (AMENDMENT) (NO. 3) BILL 1983

THE SECRETARY FOR LANDS AND WORKS moved the second reading of:—‘A bill to amend the Building Ordinance’.

He said:—Sir, I move that the Buildings (Amendment) (No. 3) Bill 1983 be read a second time.

This Bill seeks, by introducing into the Buildings Ordinance a definition of ‘habitation’, to make it clear that buildings such as hotels, boarding houses and the like, used for transitory occupation, are subject to the same requirements as are applied to domestic premises.

The opportunity is also taken to transfer the definitions of ‘domestic building’, and associated expressions, from subsidiary legislation into the principle Ordinance.

Sir, I move that the debate be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—SECRETARY FOR LANDS AND WORKS.

Question put and agreed to.

DEPOSIT-TAKING COMPANIES (AMENDMENT) BILL 1983**Resumption of debate on second reading (10 August 1983)**

Question proposed.

MR. BROWN:—Sir, I must first declare my interests as Chairman of the Hong Kong Association of Banks and as an executive holding positions with both a bank and deposit-taking companies. However, in acting as the Convener of the Legislative Council Monetary Policy Group, which studied both the Deposit-taking Companies (Amendment) Bill 1983 and the Banking (Amendment) Bill 1983, there has been no real conflict of interest as the financial community generally supports the aims of the Bills and has no objections to any of the principle involved.

As most of my comments relating to the Deposit-taking Companies (Amendment) Bill 1983 are equally applicable to the Banking (Amendment) Bill 1983 I will speak—with your permission, Sir—to both Bills together, bearing in mind that consideration of the latter Bill is the next item on the Order Paper.

Although banks and deposit-taking companies raised no objections to any of the principles involved in these Bills, other members of the business community did have some reservations. Specifically, the Hong Kong Society of Accountants raised strong objections on behalf of auditors in the belief that the amendments proposed under clauses 17 and 13 respectively of the amendment Bills would represent a breach of the normal auditor/client relationship. The accounting profession, however, expressed itself as anxious to play a positive role in assisting the Commissioner in meeting the objectives envisaged by the proposed legislation, and I am happy that the Administration has agreed to modify their original requirements.

The subject clauses put the auditor in the difficult position of being under a duty to report to the Commissioner on matters which may involve questions of opinion, and in regard to possible contraventions of the specified provisions of the Ordinances the auditor may not be qualified or in a position to decide on what is often a question of law. The revised amendments provide that the Commissioner may require at any time for returns to him from financial institutions, submitted under sections 20(3) and 38(2A) of the respective principal Ordinances, to be accompanied by a certificate issued and signed by the auditor not only to the effect that the returns are correctly compiled from the books and records, but also that in the opinion of the auditor there is no apparent contravention or other matter which materially affects the financial position of the financial institution.

Another matter of principle concerns a situation which may arise in the event the Financial Secretary uses his powers to appoint an Inspector under new sections 39 and 57B respectively of these amendment Bills. On such appoint

ment it is the duty of certain stated parties to produce to the inspector all books, papers or information relevant to the investigation. The stated parties include any agent of a company under investigation, and the term agent is subsequently defined as including solicitors.

Whilst it is quite proper that a solicitor should be required to produce books and papers which have been prepared in the course of the business of the financial institution it is thought this should not extend to instructions given to the solicitor by his client. The need for persons to enjoy privileged communication with their solicitors is generally recognized in our legislation and section 131(1) of the Securities Ordinance Cap. 333, for example, contains a provision reading:

‘An inspector shall not require disclosure by a solicitor or counsel of any privileged communication, whether oral or written, made to or by him in that capacity, except as regards the name and address of his client.’

With the agreement of the Administration I shall be moving amendments to both the Deposit-taking Companies (Amendment) Bill (new section 40) and the Banking (Amendment) Bill (new section 57C) to incorporate a provision similar to the one I have quoted from the Securities Ordinance.

In addition to the amendments I have so far mentioned there are a number of other amendments which have been agreed with the Administration. Some of these are purely of a technical nature but others have been found necessary to meet representations from financial institutions who believe the proposed measures would be difficult if not impossible to implement in practice. These include:—

Firstly, in relation to clauses 11 and 8 of the respective amendment Bills, there is some concern on the part of financial institutions as to the practicality of observing the definition of ‘relative’ when this includes and I quote, ‘any relative by affinity or consanguinity who is one of the household’.

The principal Ordinances do not at present define ‘relative’ and it is unsatisfactory that there should be no such definition at the present time. Whilst welcoming the attempt to define the term in the amendment Bills the definition as now proposed is too wide and would require financial institutions to enquire into the personal affairs of their customers beyond what is either reasonable or practicable. Amendments will be proposed, therefore, to delete sub-section (c) in the definition of relative appearing in clauses 11(d) and 8(b) respectively of the amendment Bills.

A case has been argued that the definition of ‘relative’ to include any ascendant or descendant and the spouse and the parents, brothers and sisters of the spouse of any such ascendant or descendant is also too wide. However, we have accepted the Administration’s view that this is necessary and on the basis the ordinances provide that due diligence shall be a good defence in the event financial institutions contravene this restriction.

Secondly, and in connection with the same clauses as just mentioned, it has been agreed that some flexibility should be provided in placing limitation on advances to directors and their associated interests and I shall propose amendments so that advances covered by bank guarantees will not be subjected to limitation.

Thirdly, there is some concern that transitional arrangements should be prescribed under clauses 11 and 8 of the respective amendment Bills Amendments will be proposed, accordingly, to make it clear that the provisions of these clauses will not apply to pre-existing contractual obligations entered into prior to the Bills' commencement. Concern has also been expressed regarding the adequacy of the transitional arrangements prescribed in clauses 9(b) and 6(2A) respectively, but we are satisfied the Commissioner will interpret these in a sensible manner and the provisions as they stand will in practice meet the circumstances.

Sir, I turn now to two matters which are not subject to amendments but on which the Administration has promised certain assurances. The proposed powers for the Commissioner where moneys have been placed with a foreign bank still seem to be the subject of some misunderstanding. I am personally happy with the proposal but it would be helpful if the Administration could reconfirm that the Commissioner would not normally use such powers in respect of banks which are adequately supervised in their own country. The second point concerns the definition of a 'non-listed company'. Some feel that the reference to the Stock Exchanges in Hong Kong should be extended to include Stock Exchanges recognized in other parts of the world. Such is not really necessary at the present time due to the restrictive definition of 'company' in the principal Ordinances. In the event, however, that this restrictive definition—which for clarification I would mention includes broadly speaking only companies incorporated in Hong Kong or incorporated elsewhere but which have complied with the provisions of the Hong Kong Companies Ordinance—is changed, then it is my understanding the Administration will re-examine the need to extend the reference to Stock Exchanges to include specified other exchanges overseas. This may sound pedantic but a number of companies who use Hong Kong as a financial centre for their regional activities would face practical problems in the event limitations were put on their transactions with related public companies in other parts of the world.

Finally I would add that in addition to the amendments I shall be moving to these Bills the Administration will also be proposing their own amendments in regard to hire purchase and conditional sales agreements, lending to such public statutory bodies as the Financial Secretary may designate and letters of comfort provided to the Commissioner. Details of these amendments will of course be provided by the Financial Secretary but I would mention that Unofficial Members have also considered these additional amendments, and particularly those dealing with letters of comfort for these have been the subject of representations from some affected deposit-taking companies. There is a

natural concern on their part that letters of comfort issued by non-banking institutions, especially where such are of the highest standing and reputation, will no longer be acceptable and alternative arrangements will be necessary when the new provisions come into effect. The Legislative Council Monetary Policy Group has considered this matter carefully and agrees with the Administration that as banks are generally subjected by their supervisory authorities to the special supervision relevant to banking it is appropriate for them, and them only to be suitable issuers of letters of comfort. These amendments, therefore, together with the others to be proposed by the Administration are considered sensible measures and they have our support.

Sir, subject to all the various amendments to be moved I support the Deposit-taking Companies (Amendment) Bill and the Banking (Amendment) Bill.

THE FINANCIAL SECRETARY:—Sir, I also shall speak on both Bills together, for they are closely linked.

I welcome the amendments which Mr. BROWN is proposing and am grateful for the consideration which he and other Unofficials have given both to the Bills themselves and to the many representations that have been made.

I am particularly pleased that it has been possible to reach agreement on the matter of auditors, on which indeed I held firm views. The amendments which Mr. BROWN has described will also allow the Commissioner at any time to call for an auditor's certificate in verification of returns or other information supplied to him by a bank or deposit-taking company; and to require that the certificate should indicate whether or not there appears to the auditor either to be any contravention of various of the statutory duties of the bank or D.T.C., or reason to think that the bank or D.T.C. may be heading into financial difficulties.

I should like to make it clear that, if this amendment is passed into law, the Commissioner *will*, as a matter of normal administrative practice, require an auditor's certificate covering all these points in respect of returns submitted to him at the close of each bank's and D.T.C.'s accounting year. He *may* of course ask for one at any other time too.

Next, Mr. BROWN sought assurances on two further matters. First, I confirm that, except in exceptional circumstances, the Commissioner will not exercise his newly conferred authority to limit placements by banks or D.T.C.s with foreign banks, in respect of any foreign bank which he considers to be adequately supervised by the relevant authority in its place of incorporation. Second, if the administration does at some future date propose any changes to the definition of a company in the two principal ordinances—and we intend to review this matter—we shall certainly examine carefully the need for consequential amendments elsewhere in the Ordinances, not least in respect of non-listed companies.

I turn now to certain amendments which I wish to move today. I shall deal first with letters of comfort.

Under present administrative arrangements some D.T.C.s and banks have in effect been allowed to lend without limit to a single customer or single customer group. This has been based on the strength of a letter of comfort from its parent, by virtue of the Commissioner for historical reasons regarding the letter of comfort as an acceptable form of guarantee. The situation will change. The Commissioner will no longer accept a letter of comfort as a form of guarantee. The amendments which I shall be moving will, however, enable him to raise the limit on lending to single customers or groups beyond 25% of capital and reserves—but certainly not remove it altogether—if he is in possession of a letter of comfort which conforms to certain criteria. One of these criteria will be that the letter must be issued by a bank. This may disappoint certain deposit-taking companies with non-bank parents, but I firmly believe that it is correct as a matter of principle that the Commissioner should rely only upon letters given by companies which are banks and which are adequately supervised as banks. Unofficials' support in this is much appreciated.

In addition the Financial Secretary as a matter of administrative practice will require the Commissioner to discuss with the Secretary for Monetary Affairs all proposals to set a limit higher than 25%. The S.M.A. will in turn consult the Financial Secretary in appropriate cases.

Consequently there will be an end to the present situation whereby a bank or D.T.C. can, under the umbrella of a letter of comfort, lend us much as it likes to single customers. This is an open-ended capability which has led to a number of serious problems, even though depositors' interests may have been safeguarded.

I propose two other substantive amendments, both prompted by representations. One will ensure that a bank or D.T.C. will not be restricted in the extent to which it may lend under hire purchase or conditional sale agreements solely because there is a single guarantor. The second will allow the Financial Secretary to exempt specified public statutory corporations—the M.T.R.C. is an example—from the limitation on lending by a bank to a non-listed company which has a director in common with that bank. The exemption is already implicit in the D.T.C. Ordinance.

Sir, I beg to move.

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).

BANKING (AMENDMENT) BILL 1983**Resumption of debate on second reading (10 August 1983)**

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).

ENTERTAINMENTS TAX (AMENDMENT AND VALIDATION) BILL 1983**Resumption of debate on second reading (23 November 1983)**

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).

TELECOMMUNICATION (AMENDMENT) BILL 1983**Resumption of debate on second reading (23 November 1983)**

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).

HOLIDAYS (AMENDMENT) BILL 1983**Resumption of debate on second reading (9 November 1983)**

Question proposed.

Question put and agreed to.

Bill read the second time.

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

Committee stage of bills

Council went into Committee

DEPOSIT-TAKING COMPANIES (AMENDMENT) BILL 1983

Clauses 1 to 3, 5, 7, 10, 12, 15 and 16 were agreed to.

Clauses 4, 6, 13 and 17

MR. BROWN:—I move that the clauses specified be amended as set out in the paper circulated to Members.

Proposed amendments

Clause 4

That clause 4(a) be amended by deleting ‘48’ and substituting the following—
‘47’.

Clause 6

That clause 6(a) be amended by deleting ‘48’ and substituting the following—
‘47’.

Clause 13

That clause 13 be amended in new subsection (7A) by deleting ‘45 or 46’ in paragraphs (a) and (b) and substituting the following—
‘44 or 45’.

Clause 17

That clause 17 be amended—

- (a) by deleting new section 38;
- (b) by renumbering new sections 39 to 50 to be sections 38 to 49;
- (c) in new section 38 (5)(d) by deleting ‘41’ and substituting the following—
‘40’;
- (d) in new section 39—
 - (i) by deleting ‘39’ in subsections (1), (3), (5), (6) and (7) and substituting the following—
‘38’;
 - (ii) in subsection (3)—
 - (A) by deleting the full stop at the end thereof and substituting a colon;
 - (B) by inserting the following as a proviso to the subsection—
‘Provided that an inspector shall not require the disclosure by a solicitor or counsel of any privileged communication, whether oral or written, made to or by him in that capacity.’;
 - (iii) by deleting ‘40’ in paragraphs (b) and (c) of subsection (5) and substituting the following—
‘39’;
- (e) in new sections 40(1) and 41(1)(c) by deleting ‘39’ and substituting the following
—
‘38’;
- (f) in new section 45—
 - (i) by deleting ‘47’ in subsection (2) and substituting the following—
‘46’;
 - (ii) by deleting ‘48’ in subsections(3) and (4) and substituting the following
—
‘47’;
- (g) in new section 46 by deleting ‘48’ in subsection (1)(b) and substituting the following—
‘47’;
- (h) by deleting ‘46 or 47’ in paragraphs (a) and (b) of new section 48 and substituting the following—
‘45 or 46’.

The amendments were agreed to.

Clauses 4, 6, 13 and 17 as amended, were agreed to.

Clauses 8, 9 and 14

THE FINANCIAL SECRETARY:—I move that the clauses specified be amended as set out in the paper circulated to Members.

Proposed amendments

Clause 8

That clause 8 be amended in new subsection (1A) by deleting ‘previous year’ and substituting ‘year previous to the year in respect of which the dividend is declared’.

Clause 9

That clause 9 be amended—

(a) in paragraph (a)—

(i) by inserting a dash after ‘subsection (1)’ and redesignating the remainder of the paragraph to be sub-paragraph (i);

(ii) by inserting after sub-paragraph (i) the following—

‘(ii) by inserting after paragraph (b) of the proviso the following—

“(bb) a deposit-taking company the liabilities of which are assured by a letter of comfort accepted by the Commissioner under subsection (2) or deemed to have been accepted by him under subsection (5) while the deposit-taking company conforms with any limitation on the aggregate amount of any advances, loans, facilities, guarantees or liabilities which the deposit-taking company may make imposed by the Commissioner under subsection (3)(a) or (6) or by the terms of the letter of comfort;”;

(b) by deleting paragraph (b) and substituting the following—

‘(b) by deleting subsection (2) and substituting the following —

“(2) The Commissioner may, for the purposes of paragraph (bb) of the proviso to subsection (1), accept a letter of comfort if that letter of comfort—

(a) is given by a bank which—

(i) is a shareholder in the deposit-taking company;

(ii) controls any body corporate which is a shareholder in the deposit-taking company; and

(iii) is a bank controlled by a body corporate which is either a shareholder in the deposit-taking company or controls any body corporate which is a shareholder in the deposit-taking company;

- (b) is given by a bank incorporated in Hong Kong or a bank established in a country, state or place where there is a banking supervisory authority and that bank is, in the opinion of the Commissioner, adequately supervised by that authority; and
 - (c) has been given pursuant to a resolution of the board of directors of the bank and with the knowledge of the banking supervisory authority of the country, state or place where the bank is incorporated.
- (3) In accepting any letter of comfort under subsection (2) the Commissioner—
- (a) shall limit the aggregate amount of any advances, loans, facilities, guarantees or liabilities which the deposit-taking company may make, grant or incur to such aggregate amount as he may in his discretion specify, (but subject, however, to any direction given him by the Financial Secretary under subsection (4)) and, without derogation from the generality of this discretion, such amount may be determined—
 - (i) in relation to the paid up capital and reserves of the bank giving the letter of comfort as determined by reference to any accounts furnished to the Commissioner by the bank either at the time when the letter of comfort is submitted to the Commissioner for his determination, or subsequently;
 - (ii) having regard to—
 - (A) the extent of the beneficial shareholding of the bank giving the letter of comfort in the deposit-taking company concerned where subsection (2)(a)(i) applies;
 - (B) the extent of any beneficial shareholding relevant in determining control for the purposes of subsection (2)(a)(ii) or (iii);
 - (C) the paid up capital and reserves of that deposit-taking company;
 - (D) the laws and practices applicable to the transactions of the bank giving the letter of comfort;
 - (b) may require the bank giving the letter of comfort to submit, at such intervals as the Commissioner may determine, such accounts as he may specify,

and in notifying such acceptance to the deposit-taking company he shall also notify it of the limit imposed under paragraph (a) and any requirement under paragraph (b).

(4) The Financial Secretary may at any time direct the Commissioner either generally or in any particular case as to the limits to be imposed in the exercise of his functions under paragraph (a) of subsection (3) and it shall be the duty of the Commissioner to comply with any such direction.

(5) Where a letter of comfort was—

(66 of 1983.)

(a) prior to the commencement of the Deposit-taking Company (Amendment) Ordinance 1983 accepted by the Commissioner as a guarantee in the exercise or purported exercise of his powers under proviso (b) to subsection (1); and

(b) that letter of comfort could properly have been accepted for the purposes of paragraph (bb) of the proviso to subsection (1) after such commencement by virtue of the provisions of subsection (2), if the Commissioner had been of the opinion referred to in paragraph (b) of that subsection,

such letter of comfort shall be deemed at all times to have been accepted under paragraph (bb) of the proviso to subsection (1) and, until such time as the Commissioner exercises his powers under subsection (6) in relation to the deposit-taking company, the provisions of paragraphs (a) and (b) of subsection (3) shall not apply in relation thereto.

(6) The Commissioner may at any time, by notice to a deposit-taking company, the liabilities of which are assured by a letter of comfort accepted by the Commissioner under subsection (2), or deemed to have been accepted by him under subsection (5)—

(a) where any limit has been specified for the purposes of paragraph (a) of subsection (3) or any requirement imposed under paragraph (b) of that subsection, specify a new limit or vary such a requirement, but he shall not impose a more restrictive limit unless he is of the opinion that—

(i) the deposit-taking company has failed to comply with such limit or requirement; or

(ii) it is in the interests of depositors so to do; or

(b) where any such limit has not been so specified or such a requirement imposed, specify such limit or impose such requirement,

and the provisions of subsection (2) shall apply in relation to the exercise of the powers of the Commissioner under this section as they do in relation to the exercise of his powers under that subsection.

(7) Notwithstanding subsection (1), where the aggregate amount of any advances, loans, facilities, guarantees or liabilities immediately prior—

(66 of 1983.)

- (a) to the commencement of the Deposit-taking Companies (Amendment) Ordinance 1983 did not exceed the limit as then permissible under this section;
- (b) to the commencement of the Deposit-taking Companies (Amendment) Ordinance 1983 were in excess of the limit as then specified in this section only by reason of the acceptance or purported acceptance by the Commissioner of a letter of comfort in lieu of a guarantee for the purposes of paragraph (b) of the proviso to subsection (1), and the action of the deposit-taking company in reliance thereon; or
- (c) to the specification of any new limit under subsection (6) did not exceed the amount previously specified;
- (d) to the imposition of a limit under subsection (3) or (6) did not exceed the aggregate amount then permissible under this section; or
- (e) to the withdrawal by the bank giving a letter of comfort accepted by the Commissioner under subsection (2) or deemed to have been accepted by him under subsection (5) did not exceed the aggregate amount permissible by this section,

and immediately after such commencement, specification or withdrawal did exceed the amount permissible under this section, the deposit-taking company may—

- (i) permit such advances or loans included in computing such aggregate to be outstanding until the maturity thereof;
- (ii) permit such facilities, guarantees or liabilities so included to be outstanding until they may lawfully be terminated without penalty to the deposit-taking company;

Provided that, in either case, no new advances, loans, facilities, guarantees or liabilities which are to be included in computing such aggregate are granted while the limit is so exceeded.

(8) No letter of comfort accepted by the Commissioner under subsection (2) or deemed to be accepted under subsection (5) in accordance with his powers under this section shall authorize any advances, loans, facilities, guarantees or liabilities which exceed in aggregate any limitations on such aggregate amount assured in the letter of comfort.

(9) For the purposes of subsection (1) a person shall be deemed to be in control of a company—

- (a) if he is a person in accordance with whose directions or instructions the directors of the company or of another company of which it is a subsidiary (or any of them) are accustomed to act; or
- (b) if he is a person who is entitled to exercise, or control the exercise of more than 50 *per cent* of the voting power at any general meeting of the company or of another company of which it is subsidiary,

and references to control in subsection (2) shall be construed in an analogous manner but with references herein to a company being construed as references to a body corporate, whether or not it is a company.

(10) For the purposes of this section—

- (a) the expression “person” includes any partnership, any public body and any body of person corporate or unincorporate;
- (b) the expression “advances, loans, facilities, guarantees or liabilities” shall mean advances, loans, facilities, guarantees or liabilities referred to in subsection (1);
- (c) advances, loans, facilities, guarantees or liabilities shall be deemed to be granted to and to be outstanding in relation to any person liable or contingently liable thereon whether as principal debtor, guarantor, or otherwise:

Provided that the reference in this paragraph to a guarantor shall not include a person (not being a deposit-taking company) who guarantees the obligations of another under—

(i) a hire purchase agreement, that is to say an agreement for the bailment of goods under which the bailee may buy the goods, or under which the property in the goods will or may pass to the bailee; or

(ii) a conditional sale agreement, that is to say an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to payment of instalments or otherwise as may be specified in the agreement are fulfilled; and

- (d) the expression “letter of comfort” means a letter of comfort whether or not it is enforceable at law.”;
- (c) by renumbering subsection (3) as subsection (11);
- (d) by inserting after subsection (11) the following subsection—

“(12) Any document purporting to be certified by the Commissioner as a true copy of any accounts, being accounts of the nature referred to in subsection (3), shall be admissible in evidence in any proceedings arising out of a contravention or alleged contravention of this section as truth of the matters stated in those accounts.”.

Clause 14

That clause 14 be amended by inserting after subsection (2) of new section 24C the following—

‘(3) Subsection (2) shall be deemed to have had effect from 1 April 1976, so, however, that nothing in that subsection as read with this subsection shall have effect in relation to any legal proceedings commenced before 5 August 1983.’.

Clause 11

MR. BROWN:—I move that clause 11 be amended as set out under my name in the paper circulated to Members.

Proposed amendments

Clause 11

That clause 11 be amended—

- (a) by renumbering the existing clause to be subclause (1)—
- (b) in subclause (1)(b) by deleting new subsection (3B) and substituting the following
-
- ‘(3B) Nothing in subsection (3A) shall prohibit the granting of—
- (a) any of the facilities specified in that subsection where the facility is fully secured by a bank as defined for the purposes of the Banking Ordinance or which is, additionally or alternatively, a bank which is a shareholder in the deposit-taking company; or
- (b) a secured loan to an employee of the deposit-taking company for the purchase by him of a private residence for himself or his family if no such loan by the deposit-taking company is outstanding to such employee in relation to any other residence.’;
- (Cap.155.)

- (c) in paragraph (d) in the definition of ‘relative’ in new subsection (4A) by—
- (i) deleting the semicolon at the end of paragraph (b) and substituting a comma;
 - (ii) deleting paragraph (c);
- (d) by adding after subclause (1) the following—
- ‘(2) The amendments to the principal Ordinance affected by subsection (1) shall not apply to transactions entered into before the commencement of this Ordinance.’.

The amendments were agreed to.

THE FINANCIAL SECRETARY:—I move that clause 11 be amended as set out under my name in the paper circulated to Members.

Proposed amendments

Clause 11

That clause 11(1) be amended—

- (a) by deleting the full stop at the end of paragraph (d) and substituting a semicolon;
- (b) by adding the following paragraphs after paragraph (d)—
 - ‘(e) in subsection (7) by deleting “private company” and substituting the following—
 - “non-listed company”;
 - (f) in subsection (8) by deleting “or (2)” and substituting the following—
 - “(2) or (3A)”.’.

The amendments were agreed to.

Clause 11, as amended, was agreed to.

New clause 7A ‘Amendment of section 20’.

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

MR. BROWN:—Sir, in accordance with Standing Order 46(6) I move that new clause 7A as set out in the paper circulated to Members be read a second time.

Question put and agreed to.

Clause read the second time.

MR. BROWN:—I move that new clause 7A be added to the Bill.

Proposed Addition

New clause 7A

That the following clause be inserted after clause 7—

‘Amendment of section 20. **7A.** Section 20 of the principal Ordinance is amended by deleting subsection (3) and substituting the following—

“(3) The Commissioner may require any return submitted to him pursuant to subsection (1), or any information submitted to him pursuant to a requirement under subsection (2), to be accompanied by a certificate of the auditors of the company as to all or any of the following—

- (a) whether or not, in the opinion of the auditors, the return or information is correctly compiled from the books or records of the company and, if not correctly compiled, the nature and extent of the incorrectness;
- (b) whether or not, during the period to which the return or information relates, there appears to the auditors to be any contravention by the company of any of the provisions of Part V and, if it so appears, the nature of the contravention and the evidence therefor;
- (c) whether or not, during the period to which the return or information relates, there was any matter which, in the opinion of the auditors, adversely affects the financial position of the company to a material extent, and if there was, the nature of the matter and the reason why the auditors are of that opinion.”’.

The addition of the new clause was agreed to.

New clause 12A. ‘Amendment of section 24.’

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 12A as set out in the paper circulated to Members be read a second time.

Question put and agreed to.

Clause 11

That clause 11 be amended by deleting ‘57B’ wherever it appears and substituting the following—

‘57A’.

Clause 13

That clause 13 be amended—

(a) by deleting new section 57A;

(b) by renumbering new sections 57B to 57D to be sections 57A to 57C;

(c) in new section 57B—

(i) by deleting ‘57B’ in subsections (1), (3) and (5) and substituting the following—

‘57A’.

(ii) in subsection (3)—

(A) by deleting the full stop at the end thereof and substituting a colon;

(B) by inserting the following as a proviso to the subsection—

‘Provided that an inspector shall not require the disclosure by a solicitor or counsel of any privileged communication, whether oral or written, made to or by him in that capacity.’.

Clause 15

That clause 15 be amended in new section 68A—

(a) by deleting ‘57C’ wherever it appears and substituting the following—

‘57B’;

(b) by deleting ‘57B’ wherever it appears and substituting the following—

‘57A’.

The amendments were agreed to.

Clauses 3, 4, 5, 11, 13 and 15, as amended, were agreed to.

Clauses 6 and 9

THE FINANCIAL SECRETARY:—I move that the clauses specified be amended as set out in the paper circulated to Members.

Proposed amendments

Clause 6

That clause 6 be amended—

(a) in paragraph (a)—

(i) by inserting a dash after ‘subsection (1)’ and redesignating the remainder of the paragraph to be sub-paragraph (i);

(ii) by inserting after sub-paragraph (i) the following—

‘(ii) by inserting after paragraph (b) of the proviso the following—

“(bb) a bank the liabilities of which are assured by a letter of comfort accepted by the Commissioner under subsection (2) or deemed to have been accepted by him under subsection (5) while the bank conforms with any limitation on the aggregate amount of any advances, loans, facilities, guarantees or liabilities which the bank may make imposed by the Commissioner under subsection (3)(a) or (6) or by the terms of the letter of comfort;”;

(b) by deleting paragraph (b) and substituting the following—

‘(b) by deleting subsection (2) and substituting the following—

“(2) The Commissioner may, for the purposes of paragraph (bb) of the proviso to subsection (1), accept a letter of comfort if that letter of comfort—

(a) is given by another bank which—

(i) is a shareholder in the bank for the benefit of which the letter of comfort is given;

(ii) controls any body corporate which is a shareholder in the bank for the benefit of which the letter of comfort is given; or

(iii) is a bank controlled by a body corporate which is either a share-holder in the bank for the benefit of which the letter of comfort is given or controls any body corporate which is a shareholder in that bank;

(b) is given by another bank incorporated in Hong Kong or a bank established in a country, state or place where there is a banking supervisory authority and that bank is, in the opinion of the Commissioner, adequately supervised by that authority; and

(c) has been given pursuant to a resolution of the board of directors of the other bank and with the knowledge of the banking supervisory authority of the country, state or place where the other bank is incorporated.

(3) In accepting any letter of comfort under subsection (2) the Commissioner—

(a) shall limit the aggregate amount of any advances, loans, facilities, guarantees or liabilities which the bank may make, grant or incur to such aggregate amount as he may in his discretion specify, (but subject, however, to any direction given him by the Financial Secretary under subsection (4) and, without derogation from the generality of this discretion, such amount may be determined—

(i) in relation to the paid up capital and reserves of the bank giving the letter of comfort as determined by reference to any accounts furnished to the Commissioner by the bank either at the time when the letter of comfort is submitted to the Commissioner for his determination, or subsequently;

(ii) have regard to—

- (A) the extent of the beneficial shareholding of the bank giving the letter of comfort in the bank for the benefit of which it is given where subsection (2)(a)(i) applies;
- (B) the extent of any beneficial shareholding relevant in determining control for the purposes of subsection (2)(a)(ii) or (iii);
- (C) the paid up capital and reserves of the bank for the benefit of which the letter of comfort is given;
- (D) the laws and practices applicable to the transactions of the bank giving the letter of comfort;

(b) may require the bank giving the letter of comfort to submit, at such intervals as the Commissioner may determine, such accounts as he may specify,

and in notifying such acceptance to the bank for the benefit of which the letter of comfort is given he shall also notify it of the limit imposed under paragraph (a) and any requirement under paragraph (b).

(4) The Financial Secretary may at any time direct the Commissioner either generally or in any particular case as to the limits to be imposed in the exercise of his functions under paragraph (a) of subsection (3) and it shall be the duty of the Commissioner to comply with any such direction.

(5) Where a letter of comfort was—

(67 of 1983.)

(a) prior to the commencement of the Banking (Amendment) Ordinance 1983 accepted by the Commissioner as a guarantee in the exercise or purported exercise of his powers under proviso (b) to subsection (1); and

- (b) that letter of comfort could properly have been accepted for the purposes of paragraph (bb) of the proviso to subsection (1), after such commencement by virtue of the provisions of subsection (2), if the Commissioner had been of the opinion referred to in paragraph (b) of that subsection,

such letter of comfort shall be deemed at all times to have been accepted under paragraph (bb) of the proviso to subsection (1) and, until such time as the Commissioner exercises his powers under subsection (6) in relation to the bank, the provisions of paragraphs (a) and (b) of subsection (3) shall not apply in relation thereto.

(6) The Commissioner may at any time, by notice to a bank, the liabilities of which are assured by a letter of comfort accepted by the Commissioner under subsection (2), or deemed to have been accepted by him under subsection (5)—

- (a) where any limit has been specified for the purposes of paragraph (a) of subsection (3) or any requirement imposed under paragraph (b) of that subsection, specify a new limit or vary such a requirement; but he shall not impose a more restrictive limit unless he is of the opinion that—
- (i) the bank has failed to comply with such limit or requirement; or
 - (ii) it is in the interests of depositors so to do; or
- (b) where any such limit has not been so specified or such a requirement imposed, specify such limit or impose such requirement,

and the provisions of subsection (2) shall apply in relation to the exercise of the powers of the Commissioner under this section as they do in relation to the exercise of his powers under that subsection.

(7) Notwithstanding subsection (1), where the aggregate amount of any advances, loans, facilities, guarantees or liabilities immediately prior—

- (67 of 1983.)
- (a) to the commencement of the Banking (Amendment) Ordinance 1983 did not exceed the limit as then permissible under this section;
 - (b) to the commencement of the Banking (Amendment) Ordinance 1983 were in excess of the limit as then specified in this section only by reason of the acceptance or purported acceptance by the Commissioner of a

letter of comfort in lieu of a guarantee for the purposes of paragraph (b) of the proviso to subsection (1), and the action of the bank in reliance thereon;

- (c) to the specification of any new limit under subsection (6) did not exceed the amount previously specified;
- (d) to the imposition of a limit under subsection (3) or (6) did not exceed the aggregate amount then permissible under this section; or
- (e) to the withdrawal by the bank giving a letter of comfort accepted by the Commissioner under subsection (2) or deemed to have been accepted by him under subsection (5) did not exceed the aggregate amount permissible by this section,

and immediately after such commencement, specification or withdrawal did exceed the amount permissible under this section, the bank may—

- (i) permit such advances or loans included in computing such aggregate to be outstanding until the maturity thereof;
- (ii) permit such facilities, guarantees or liabilities so included to be outstanding until they may lawfully be terminated without penalty to the bank:

Provided that, in either case, no new advances, loans, facilities, guarantees or liabilities which are to be included in computing such aggregate are granted while the limit is so exceeded.

(8) No letter of comfort accepted by the Commissioner under subsection (2) or deemed to be accepted under subsection (5) in accordance with his powers under this section shall authorize any advances, loans, facilities, guarantees or liabilities which exceed in aggregate any limitations on such aggregate amount assured in the letter of comfort.

(9) For the purposes of subsection (1) a person shall be deemed to be in control of a company—

- (a) if he is a person in accordance with whose directions or instructions the directors of the company or of another company of which it is a subsidiary (or any of them) are accustomed to act; or
- (b) if he is a person who is entitled to exercise, or control the exercise of more than 50 *per cent* of the voting power at any general meeting of the company or of another company of which it is a subsidiary,

and references to control in subsection (2) shall be construed in an analogous manner but with references herein to a company being construed as references to a body corporate, whether or not it is a company.

(10) For the purposes of this section—

- (a) the expression “person” includes any partnership, any public body and any body of person corporate or unincorporate;
- (b) the expression “advances, loans, facilities, guarantees or liabilities” shall mean advances, loans, facilities, guarantees or liabilities referred to in subsection (1);
- (c) advances, loans, facilities, guarantees or liabilities shall be deemed to be granted to and to be outstanding in relation to any person liable or contingently liable thereon whether as principal debtor, guarantor, or otherwise:

Provided that the reference in this paragraph to a guarantor shall not include a person (not being a bank) who guarantees the obligations of another under—

(i) a hire purchase agreement, that is to say an agreement for the bailment of goods under which the bailee may buy the goods, or under which the property in the goods will or may pass to the bailee; or

(ii) a conditional sale agreement, that is to say an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to payment of instalments or otherwise as may be specified in the agreement are fulfilled; and

- (d) the expression “letter of comfort” means a letter of comfort whether or not it is enforceable at law.

(11) Any document purporting to be certified by the Commissioner as a true copy of any accounts, being accounts of the nature referred to in subsection (3), shall be admissible in evidence in any proceedings arising out of a contravention or alleged contravention of this section as truth of the matters stated in those accounts.”.

Clause 9

That clause 9 be amended in new section 41B—

- (a) by renumbering the existing section to be subsection (1);

(b) by inserting after subsection (1) the following—

‘(2) Subsection (1) shall be deemed to have had effect from 1 April 1976, so, however, that nothing in that subsection as read with this subsection shall have effect in relation to any legal proceedings commenced before 5 August 1983.’

The amendments were agreed to.

Clauses 6 and 9, as amended, were agreed to.

Clause 8

MR. BROWN:—I move that clause 8 be amended as set out under my name in the paper circulated to Members.

Proposed amendments

Clause 8

That clause 8 be amended—

(a) by renumbering the existing clause to be subclause (1);

(b) in subclause (1)(b) in the definition of ‘relative’ in new subsection (4A), by—

(i) deleting the semicolon at the end of paragraph (b) and substituting a comma;

(ii) deleting paragraph (c);

(c) by adding after subclause (1) the following—

‘(2) The amendments to the principal Ordinance effected by subsection (1) shall not apply to transactions entered into before the commencement of this Ordinance.’

The amendments were agreed to.

THE FINANCIAL SECRETARY:—I move that clause 8 be amended as set out under my name in the paper circulated to Members.

Proposed amendments

Clause 8

That clause 8(1) be amended—

(a) in paragraph (b) in the definition of ‘non-listed company’ in new subsection (4A)

- (i) by deleting the semicolon at the end thereof and substituting a colon;
- (ii) by the addition of the following proviso—

“Provided that a public statutory corporation designated for the purposes of this definition by the Financial Secretary by notice in the *Gazette* shall be deemed not to be a non-listed company.”;

- (b) by deleting the full stop at the end of paragraph (b) and substituting a semicolon;
- (c) by adding the following paragraph after paragraph (b)—
 - ‘(c) in subsection (7) by deleting “private company” and substituting the following—
 - “non-listed company”.’.

The amendments were agreed to.

Clause 8, as amended, was agreed to.

New clause 8A. ‘Amendment of section 38’.

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

MR. BROWN:—In accordance with Standing Order 46(6), I move that new clause 8A as set out in the paper circulated to Members be read a second time.

Question put and agreed to.

Clause read the second time.

MR. BROWN:—I move that new clause 8A be added to the Bill.

Proposed Addition

New clause 8A

That the following clause be inserted after clause 8—
 ‘Amendment of section 38. **8A.** Section 38 of the principal Ordinance is amended in subsection (2A) by deleting all words following paragraph (b) and substituting the following—

“as to all or any of the following—

- (i) whether or not, in the opinion of the auditor or auditors, the return or information is correctly compiled from the

books or records of the company and, if not correctly compiled, the nature and extent of the incorrectness;

- (ii) whether or not, during the period to which the return or information relates, there appears to the auditor or auditors to be any contravention by the company of any of the provisions of Part V and, if it so appears, the nature of the contravention and the evidence therefor;
- (iii) whether or not, during the period to which the return or information relates, there was any matter which, in the opinion of the auditor or auditors, adversely affects the financial position of the company to a material extent, and if there was, the nature of the matter and the reason why the auditor or auditors is or are of that opinion.”.’

The addition of the new clause was agreed to.

ENTERTAINMENTS TAX (AMENDMENT AND VALIDATION) BILL 1983

Clauses 1 to 3 were agreed to.

TELECOMMUNICATION (AMENDMENT) BILL 1983

Clauses 1 to 7 were agreed to.

HOLIDAYS (AMENDMENT) BILL 1983

Clauses 1 and 2 were agreed to.

Clauses 3 and 4

SECRETARY FOR EDUCATION AND MANPOWER:—I move the clauses 3 and 4 be amended as set out in the paper circulated to Members.

The deletions from the new Schedule remove the notion that, when two general holidays fall on the same day, one of them is displaced. As presently worded it is implied that one holiday somehow takes precedence over another, and there may also be the misleading implication that the celebration of the holiday is displaced to another date. The amendment to section 6 makes it clear that we are simply concerned to avoid the loss of a day's holiday due to the coincidence of two general holidays on the same day.

Sir, I beg to move.

Proposed amendments

Clause 3

That clause 3 be amended in new section 6—

- (a) by renumbering the section as subsection (1);
- (b) by inserting after subsection (1) the following subsection—
 - ‘(2) Where in any year two general holidays fall on the same day the Governor may, by order in the *Gazette*, appoint any day in that year to be observed as an additional general holiday.’

Clause 4

That clause 4 be amended in the new Schedule—

- (a) in paragraph (g) by deleting ‘or such other day as the Governor may, by order in the *Gazette*, appoint in place thereof’;
- (b) in paragraph (m) by deleting ‘or other general holiday’.

The amendments were agreed to.

Clauses 3 and 4, as amended, were agreed to.

Third reading of bills

THE ATTORNEY GENERAL reported that the

ENTERTAINMENTS TAX (AMENDMENT AND VALIDATION) BILL and the

TELECOMMUNICATION (AMENDMENT) BILL

had passed through Committee without amendment and the

DEPOSIT-TAKING COMPANIES (AMENDMENT) BILL

BANKING (AMENDMENT) BILL and the

HOLIDAYS (AMENDMENT) BILL

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

Question put on the Bills and agreed to.

Bills read the third time and passed.

Unofficial Members' Bills

First reading of bills

THE METHODIST CHURCH, HONG KONG, INCORPORATION BILL 1983

HONG KONG SEA CADET CORPS BILL 1983

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

Second reading of bills

THE METHODIST CHURCH, HONG KONG, INCORPORATION BILL 1983

MISS TAM moved the second reading of:—‘A bill to provide for the incorporation of The Methodist Church, Hong Kong’.

She said:—Sir, I move the second reading of The Methodist Church, Hong Kong Incorporation Bill 1983.

This Bill proposes to incorporate an unincorporated Christian organization known as ‘The Methodist Church, Hong Kong’ and creates a new legal entity which will unite various ‘Methodist’ organizations in Hong Kong in their Statement of Faith, recognition of Sacraments and in the ownership, control and management of their assets, properties or trust properties.

The Methodist organizations which form the existing unincorporated ‘The Methodist Church, Hong Kong’ are:

- (a) ‘The Methodist Church (United Kingdom)’ which is the mother organization of (b);
- (b) ‘The Hong Kong Chinese District of the Methodist Church (United Kingdom)’ commonly known in Hong Kong as ‘Tsun To Kung Wooi (循道公會)’ which first took root in preaching the methodist faith in Hong Kong over a hundred years ago; and
- (c) ‘The Methodist Church, Hong Kong’ commonly known in Hong Kong as ‘Wei Li Kung Hui’ (衛理公會) whose origin spang from the United Methodist Church of the United States of America. They began to send their missionaries to Hong Kong in 1953.

Both the ‘Tsun To Kung Wooi’ and the ‘Wei Li Kung Hui’ have acquired properties in Hong Kong. The ‘Wei Li Kung Hui’ began to acquire properties in 1956, at first by a group of Trustees acting on its behalf. In 1963 a company limited by guarantee by the name of ‘The Methodist Church, Hong Kong District (Property Holding), Limited’ was formed to hold 26 church properties which are now listed under Part I(A) of the Schedule to the Bill. A separate property is also held by Trustees by the names of Bishop W. Angie SMITH,

Sidney R. ANDERSON, Judith L. HAWKS, Yolay YOUNG, Pau-waung YANG, Chen Kuan YU and Jack Y. H. YUEN and this is included in Part I(B) of the Schedule to the Bill.

For the 'Tsun To Kung Wooi', eight of their properties in Hong Kong are held by 'The Methodist Missionary Trust Association' and the remaining five properties are held by 'The Wesleyan Methodist Missionary Trust Association', both of which are companies registered in England and under the control of 'The Methodist Church (United Kingdom)'. These properties are listed out in Part II(A), II(B), Part III and Part IV of the Schedule attached to the Bill.

Under clause 5 of the Bill, all of these properties in the Schedule will be vested in the new 'The Methodist Church, Hong Kong' without assignment or conveyance or payment of stamp duty. Also, the enactment of the Bill will effect a valid vesting of the legal estate of properties to 'The Methodist Church, Hong Kong' which are at present held under New Grants, conditions of Grant and Crown leases some of which contain special conditions against assignment or alienation by the existing grantees or lessees.

Clause 6 of the Bill provides for members of the Corporation whose powers are described under clause 4.

Sir, the Methodist organizations have for over a hundred years brought faith, charity and comfort to their congregation in Hong Kong. I believe that the enactment of The Methodist Church, Hong Kong, Incorporation Bill will greatly enhance the work of the Methodist Church in Hong Kong in the days to come.

Sir, I move the debate on the Bill be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—MISS MARIA TAM.

Question put and agreed to.

HONG KONG SEA CADET CORPS BILL 1983

MR. F. K. HU moved the second reading of:—'A bill to provide for the incorporation of the Area Committee of the Hong Kong Sea Cadet Corps and for matters connected therewith'.

He said:—Sir, I move the second reading of the Hong Kong Sea Cadet Corps Bill 1983.

Sir, the object of this Bill is to incorporate the Area Committee of the Hong Kong Sea Cadet Corps. The Sea Cadet Corps was established in 1968, on the demise of the Royal Naval Volunteer Reserve in Hong Kong. The intention was to use the enthusiasm and the dedication of some of the former officers to provide a service to youth in Hong Kong, without any military overtones but with the generous assistance of the Royal Navy.

Since that time the Sea Cadet Corps has come a long way. With the support of the Social Welfare Department and the Royal Hong Kong Jockey Club the Corps now provides organized activities for some 750 cadets in 11 training units. The Corps has a site at Stanley, currently on a Crown Land Licence, and a grant of land in Sai Kung where a sea activities training centre has been built through a munificent donation from Sir Shiu-kin Tang. The Corps is a growing body (a further two units are being set up this year) and shares with many other voluntary agencies a lack of suitable accommodation. I am pleased that the Government has told the Corps that it is prepared to grant a site in Kowloon for the construction of a new headquarters and as a home for several units.

With its responsibilities to so many young people, and its growing property holdings, the Corps has now found it necessary to seek incorporation to give it appropriate legal status. Accordingly this Bill has been drafted with the assistance of the Attorney General's Chambers, and I believe its passage will make a material contribution to the promotion of the Corps' work for young people in Hong Kong.

Sir, I move that the debate be now adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—MR. F. K. HU.

Question put and agreed to.

Adjournment and next sitting

HIS HONOUR THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday 21 December 1983.

Adjourned accordingly at thirteen minutes past four o'clock.