

OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 9 April 1986

The Council met at half-past Two o'clock

PRESENT

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)

SIR EDWARD YOUDE, G.C.M.G., M.B.E.

THE HONOURABLE THE CHIEF SECRETARY

SIR DAVID AKERS-JONES, 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, C.M.G., Q.C.

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

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

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

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.

SECRETARY FOR TRADE AND INDUSTRY

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

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

THE HONOURABLE HU FA-KUANG, O.B.E., 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 DISTRICT ADMINISTRATION

THE HONOURABLE CHAN KAM-CHUEN, O.B.E., J.P.

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

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, O.B.E., J.P.

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

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

THE HONOURABLE MARIA TAM WAI-CHU, O.B.E., J.P.

DR. THE HONOURABLE HENRIETTA IP MAN-HING, J.P.

THE HONOURABLE CHAN NAI-KEONG, C.B.E., J.P.

SECRETARY FOR LANDS AND WORKS

THE HONOURABLE CHAN YING-LUN, J.P.

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI, J.P.

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN, J.P.

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

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

THE HONOURABLE JAMES NEIL HENDERSON, O.B.E., J.P.

SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE KIM CHAM YAU-SUM, J.P.

THE HONOURABLE JOHN WALTER CHAMBERS, J.P.
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE IAN FRANCIS CLUNY MACPHERSON, O.B.E., J.P.
SECRETARY FOR TRANSPORT

THE HONOURABLE JACKIE CHAN CHAI-KEUNG

THE HONOURABLE CHENG HON-KWAN

THE HONOURABLE HILTON CHEONG-LEEN, C.B.E., J.P.

DR. THE HONOURABLE CHIU HIN-KWONG

THE HONOURABLE CHUNG PUI-LAM

THE HONOURABLE THOMAS CLYDESDALE

THE HONOURABLE HUI YIN-FAT

THE HONOURABLE RICHARD LAI SUNG-LUNG

DR. THE HONOURABLE CONRAD LAM KUI-SHING

THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.

THE HONOURABLE LEE YU-TAI

THE HONOURABLE DAVID LI KWOK-PO, J.P.

THE HONOURABLE LIU LIT-FOR, J.P.

THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.

THE HONOURABLE PANG CHUN-HOI, M.B.E.

THE HONOURABLE POON CHI-FAI

PROF. THE HONOURABLE POON CHUNG-KWONG

THE HONOURABLE HELMUT SOHMEN

THE HONOURABLE SZETO WAH

THE HONOURABLE TAI CHIN-WAH

THE HONOURABLE MRS. ROSANNA TAM WONG YICK-MING

THE HONOURABLE TAM YIU-CHUNG

DR. THE HONOURABLE DANIEL TSE CHI-WAI, O.B.E., J.P.

THE HONOURABLE ANDREW WONG WANG-FAT

THE HONOURABLE PANG YUK-LING, I.S.O., J.P.

SECRETARY FOR HOUSING (*Acting*)

ABSENT

THE HONOURABLE HO SAI-CHU, M.B.E., J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR. LAW KAM-SANG

Papers

The following papers were laid on the table pursuant to Standing Order 14(2):

Subject *L.N. No.*

Subsidiary Legislation:

Public Health and Urban Services Ordinance Pleasure Grounds (New Territories)(Amendment)(No. 2) Regulations 1986 -----	71
Public Health and Urban Services Ordinance Public Swimming Pools (New Territories)(Amendment) Regulations 1986 -----	72
Waterworks Ordinance Waterworks (Amendment) Regulations 1986-----	73
Public Revenue Protection Ordinance Public Revenue Protection (Banking) Order 1986-----	75
Public Revenue Protection Ordinance Public Revenue Protection (Deposit-Taking Companies) Order 1986 -----	76
Public Health and Urban Services Ordinance Public Health and Urban Services (Public Pleasure Grounds) (Amendment of Fourth Schedule)(No. 2) Order 1986 -----	77
Matrimonial Causes Ordinance Matrimonial Causes (Amendment)(No. 2) Rules 1986 -----	78
Interpretation and General Clauses Ordinance Declaration of Change of Title (Colonial Treasurer Incorporated) (Amendment) Notice 1986-----	79
Kowloon-Canton Railway Corporation By-Laws 1985 Kowloon-Canton Railway (Restricted Area)(No. 3) Notice 1986-----	80
Kowloon-Canton Railway Corporation By-Laws 1985 Kowloon-Canton Railway (Restricted Area)(No. 4) Notice 1986-----	81
Public Health and Urban Services Ordinance Advertisement (Amendment) By-Laws 1986 -----	82
Dumping at Sea Act 1974 (Overseas Territories) Order 1975 Order of Designation of Public Officer-----	83
Interpretation and General Clauses Ordinance Specification of Public Office -----	84

<i>Subject</i>	<i>L.N. No.</i>
Inland Revenue Ordinance	
Inland Revenue (Interest Tax)(Exemption)(Amendment) Notice 1986 -----	85
Tax Reserve Certificates (Fourth Series) Rules	
Tax Reserve Certificates (Rate of Interest) Notice 1986 -----	86
Metrication Ordinance	
Metrication Amendments (Mining Ordinance) Order 1986-----	87
Registration of Persons Ordinance	
Registration of Persons (Application for New Identity Cards) (No. 6) Order 1986 -----	88
Road Traffic (Driving Licences) Regulations	
Road Traffic (Driving Licences) Regulations (Amendment of Fourth Schedule) Order 1986-----	89
Regional Council Ordinance 1985	
Regional Council Financial By-Laws 1986-----	90
Regional Council Ordinance 1985	
Regional Council (Fees for Official Signatures and Miscellaneous Services) By- Laws 1986 -----	91
Sessional Papers 1985-86:	
No. 48—Changes to the approved Estimates of Expenditure approved during the third quarter of 1985-86—Public Finance Ordinance: Section 8.	

Oral answers to questions

Plans to cope with traffic conditions up to year 2000

1. DR. TSE asked: *In view of Government's proposal to build the second harbour crossing and the tunnel linking Diamond Hill and Sha Tin, will Government inform this Council of its forecast of the local traffic conditions in the year 2000 and its overall plan to meet the demand for traffic facilities?*

SECRETARY FOR TRANSPORT: Sir, I have, I hope correctly, read Dr. Tse's reference to local traffic in this context to mean traffic in north-east and east Kowloon, for it is certainly the case that both the new tunnels here refer to will attract additional traffic into these areas.

From previous studies it is clear that additional highway infrastructure will be required to accommodate this traffic and I confirm that it is the intention to

make the necessary improvements. The precise details of these improvements are now being assessed by the east Kowloon traffic study, which is a Transport Department study being carried out with the assistance of consultants provided by the Eastern Harbour Crossing consortium. This study, which will be completed before the end of this year, has a design year of 1996.

One of the primary objectives of the east Kowloon traffic study is to consider a grade-separated road connection between the two tunnels, and also the more pressing need to make local improvements to the roads in the area between Diamond Hill and Kwun Tong so as to facilitate access to both tunnels. The Wong Tai Sin and Kwun Tong District Boards will be fully briefed on the recommendations resulting from it.

DR. TSE: *Sir, with respect to the Secretary for Transport, my question is on the forecast of the overall traffic demands of Hong Kong as we approach year 2000 and whether Government has any plans to meet those demands in a systematic way?*

SECRETARY FOR TRANSPORT: Sir, transport forecasting is not a very precise art. However, the basis for all our forecasts at the moment is the comprehensive transport study which was completed in 1976 and the 1977 White Paper on Transport Policy is the basic document. Since that time the tools provided by the comprehensive transport study have been used in a very large number of supplementary studies such as the additional cross harbour study, the electronic road pricing study and the east Kowloon study to which I've just referred. Following this meeting the Finance Committee of this Council will be considering a request for funds to undertake a second comprehensive study, an updating of the 1976 one. This will extend the planning horizon into the next century and will make use of updated computer and planning techniques. It will of course also take into account the territorial development strategies and the regional strategy studies. It will be done by Transport Department with the assistance of consultants.

DR. TSE: *Sir, would the Secretary for Transport inform us of the accuracy of the 1976 comprehensive transport study commissioned by the then Public Works Department in forecasting the traffic conditions and the needs of the remainder of this decade and whether the current road and tunnel construction programme closely follows the recommendations of the consultants in the 1976 report?*

SECRETARY FOR TRANSPORT: Sir, I did say that transport forecasting is not a very precise art. The long-term forecasts are obviously enormously affected by economic consideration, by social consideration, by policy adopted by this Council and the Administration. However, within these parameters the 1976 CTS which at the time was a highly sophisticated and professional piece of work has served us very well indeed. It's 10 years out of date now as I said it needs to

be updated. The long-term road study has also provided us with a very sound basis for the planning of the development of the transport infrastructure.

MR. POON CHI-FAI (in Cantonese): *It is mentioned in the last paragraph of the answer that the Government will fully brief the Wong Tai Sin and Kwun Tong District Boards concerning the study to improve the roads in the area between Diamond Hill and Kwun Tong. I would like to ask when these two boards will be briefed and other than briefing them, whether the Government will give a chance to the district board members to express their views and whether these views will be taken into account?*

SECRETARY FOR TRANSPORT: The answer to the first part of the question is that the study will be completed before the end of this year and will be brought to the boards immediately as it's completed. The answer to the second part of the question is that certainly the views of the district boards will be taken into consideration.

MR. LEE YU-TAI: *Sir, as the franchise of operation of the second tunnel surpasses 1997, may I ask whether or not there will be special arrangements about the revenue which the Government receives from the tunnel operator?*

SECRETARY FOR TRANSPORT: The agreement entered into with the new Hong Kong Tunnel Co. and the franchise which is now being written into a bill to be brought before this Council lasts for a period of 30 years. Under the arrangements, the company will provide Government with 6.25 per cent of the equity of the project at a date which is linked with the opening of the proposed new Tate's Cairn tunnel and the 1997 question has not entered into any of these considerations or during negotiations.

Staff resources for drafting Chinese versions of new Bills

2. MRS. TAM asked: *In connection with the drafting of Chinese versions of new Bills submitted to Legislative Council, will the Administration inform this Council:*

- (a) how many suitably qualified officers are currently available to perform this work;*
- (b) is this number sufficient; if not, how would the Administration ensure that adequate numbers of properly qualified officers are made available?*

ATTORNEY GENERAL: Sir, at present, there are three Chinese lawyers and nine Senior Chinese Language Officers in the Law Drafting Division of my chambers who are able to undertake this project. Four more Chinese lawyers are expected to join the division in the next month or two. A further nine Senior Chinese Language Officers are likely to be recruited during this summer.

It is hoped that these numbers will be sufficient to enable the division to begin the work of bilingual legislative drafting and translation in the next session of this Council. As to whether they will prove sufficient for the future, it is too early to say. I must stress, Sir, that we are breaking new ground. There are many issues still to be resolved. We shall be publishing a discussion paper later this month that will identify some of the difficulties and canvass a number of possible approaches. I am sure that the comments of those who are good enough to consider the issues, when the discussion paper is available, will assist us to arrive at effective solutions.

MRS. TAM: *Sir, can the Attorney General inform this Council whether there are difficulties at present in recruiting Chinese Language Officers. If yes, has the Government considered relaxing the recruitment qualifications to increase the intake while providing in-service training to upkeep the standard?*

ATTORNEY GENERAL: As far as the Chinese Language Officers are concerned, they are recruited to our division from other parts of Government. They are persons who are, it seems, not in short supply to us because those we have presently recruited had to pass aptitude tests and were recommended by a special appointment panel from a number of persons who were applicants.

MISS DUNN: *Sir, as we are breaking new ground, is any training given to this work?*

ATTORNEY GENERAL: Yes, indeed. So far as the lawyers are concerned, they will be trained very much on the job with the benefit of the guidance and experience of more senior colleagues. So far as the Senior Chinese Language Officers are concerned, the nine that we presently have are currently undergoing a five months' training course on various aspects of law and legislation which will continue until the end of June. That is a full time course run by members of my chambers which introduces those appointed to general principle of law and technical aspects of legislation.

MR. CHUNG: *Sir, the first part of my question has been asked by Miss DUNN and my second part of the question is whether such lawyers and officers receive any special allowance for such duties or whether they would be on a special pay scale?*

ATTORNEY GENERAL: I am not able to say exactly what the rates are for the Senior Chinese Language Officers but there is no special rate given to this work. Those who are lawyers are employed on the usual terms as Crown Counsel or Senior Crown Counsel as the case may be.

MR. HUI: *Sir, could the Attorney General inform this Council who will be involved in discussing the discussion paper mentioned in his reply and will interested Legislative Council Members be involved?*

ATTORNEY GENERAL: I sincerely hope that every Member of this Council will be good enough to read the paper and to give us the benefit of their views. And I stress that part of the discussion paper will be involved with the process of handling the texts in this Council as they come through. Certainly the discussion paper will be given wide circulation. There is a lot of interest in this project not only among academics but also practitioners and people generally in the community and we expect there will be a heavy demand for copies of it. Certainly Members of this Council will have priority.

MR. NGAI: *Sir, will the Government take any steps to consult with the two universities and two polytechnics to include some relevant training in the curriculum of their law related disciplines to ensure that the increasing demand for such talent in the future can be met with?*

ATTORNEY GENERAL: Sir, I think that question goes a good deal wider perhaps than the first question which I answered. Certainly there is a good deal of interest in the universities both in Chinese law and in Chinese legal terminology and I have no doubt that as our project gets underway, it will actually stimulate more activity, more research and more tuition in related subjects in the universities and polytechnics.

Dental services for the aged

3. DR. IP asked: *In view of the results of a study into the dental service needs of our aged population over 65 which shows that 29 per cent are without any teeth and 60 per cent required false teeth, has Government considered reviewing such needs of this group of elderly persons who have contributed much to what Hong Kong is today, with a view to extending to them the relatively economical dental therapists scheme which our primary school students are now enjoying?*

SECRETARY FOR HEALTH AND WELFARE: Sir, the dental therapist scheme aims to provide a preventive dental conservation service to primary school children who are at an age when maximum benefit can be derived from such a service. The elderly frequently need curative dental treatment of a kind which dental therapists are not trained to provide.

Special grants are available under the Public Assistance Scheme to meet the cost of dentures and fillings and it is considered that this is the most appropriate way of assisting the elderly members of the community to obtain dental treatment.

DR. IP: *Sir, can Government provide us with some statistics on the dental needs of the aged and statistics on what percentage of such needs are met through the scheme that has been mentioned? If no such statistics are available, can such statistics be obtained?*

SECRETARY FOR HEALTH AND WELFARE: Sir, I doubt whether we have very comprehensive statistics on the dental needs and I haven't personally seen the study which Dr. Ip referred to and would be very grateful if she could perhaps let me have a copy. I am sure that we can find out how many people have benefited under the Public Assistance Scheme and the arrangement I mentioned and I will arrange to write to Dr. Ip on that point. (Annex I)

PROF. POON: *Sir, I think Dr. Ip has asked part of my question. My second part is whether the Secretary for Health and Welfare will also inform this Council if there is sufficient publicity for the availability of the Public Assistance Scheme?*

SECRETARY FOR HEALTH AND WELFARE: Details of what is available under the Public Assistance Scheme are included in a pamphlet which I am pretty certain includes reference to this type of service but I will have a look into the pamphlet when I get back to my office to make sure that they are included. These pamphlets are available in district offices and social security offices and elsewhere. (Annex II)

DR. HO: *Sir, it's a fact that the incidents of dental disease among the elderly people is high, while the level of awareness is low. What measures will the Government propose to motivate these elderly people to seek dental treatment promptly as stated in paragraph 2 of the answer?*

SECRETARY FOR HEALTH AND WELFARE: Sir, as Members of this Council are aware, the Government does not provide a comprehensive public dental service and therefore it would hardly be appropriate to carry out extensive publicity of this sort. However, as I said just now I will ensure that reference to the availability of this service is included in pamphlets on the Public Assistance Scheme.

MR. CHEONG: *Sir, could the Secretary for Health and Welfare confirm that the special grants under the Public Assistance Scheme are means tested?*

SECRETARY FOR HEALTH AND WELFARE: Yes, Sir, these special arrangements apply only to beneficiaries of the Public Assistance Scheme which is, of course, entirely means tested.

Recruitment of Cantonese-speaking judges and magistrates

4. MISS DUNN asked: *What steps are being taken to increase the number of Cantonese-speaking Judges and Magistrates?*

CHIEF SECRETARY: Sir, both the Chief Justice and the Administration are conscious of the need for more Cantonese speakers on the bench and various steps have been taken to attract them.

In the case of Magistrates, since 1981 it has been stipulated in advertisements that Cantonese-speaking candidates who do not fully meet the normal appointment requirements of being at least 40 years old and having at least 10 years' professional experience since admission might also apply. The entry requirements for these candidates were further relaxed to 30 years of age and five years' professional experience in 1984.

These measures have helped. Two Cantonese speaking candidates were appointed as Magistrates between 1981 and 1984 and, following further relaxation of the age and experience criteria, another six such appointments were made in 1985.

As regards Judges, it has also been the Administration's policy to fill vacancies with Cantonese-speaking candidates where possible. In the last four years, six Cantonese-speaking District Judges have been appointed, five of whom were promoted from within the Judiciary. In addition, a Cantonese-speaking District Judge was appointed a Judge of the High Court.

Direct approaches have also been made to members of the legal profession. The Registrar of the Supreme Court, has advised the Bar Association and the Law Society that the Judiciary is prepared to consider, at any time, local barristers or solicitors who have an interest in becoming Magistrates or Judges. Similarly, the Chief Justice and the Registrar of the Supreme Court, have also written to members of the profession to see whether they would be interested in being appointed to the bench.

A few replies were received from persons who might be suitable for appointment to the Magistrates' or Hong Kong district courts. Some of them will be given appointments in the Magistrates' courts for a trial period in accordance with their wishes. A few others who expressed interest in the district courts are also being considered for appointment.

MISS DUNN: *Sir, the Chief Secretary has painted a disappointing picture. May I ask him first what is the proportion of Cantonese-speaking Judges and Magistrates as opposed to non-Cantonese-speaking currently on the establishment. And secondly, since none of these measures taken so far has succeeded in substantially increasing the number of Cantonese speakers, what is the Government going to do to overcome this problem?*

CHIEF SECRETARY: *Sir, on 1 April this year there were 35 judicial officers on local terms of employment out of a total establishment of 145, 35 out of 145, and on the second point, a review of the terms and conditions of appointment of judicial officers is being undertaken for consultation with the Chief Justice with a view to attracting more Cantonese-speaking candidates to join the service. But the issues are complex. It is not possible to give a firm timing for this exercise but it is being treated with priority and once the period of consultation is complete it will be necessary to consult the Executive Council.*

MR. LEE YU-TAI: *Sir, may I ask if there is an intended purpose in the fact that the court uses a language which is not the most commonly spoken language in the community. In mediaeval times Latin was used in Europe on great occasions and religious ceremonies. Use of English in the courts of Hong Kong may bring feelings of mystery which command respect or characterise Hong Kong as an international city.*

CHIEF SECRETARY: Mr. LEE makes a good point, Sir, but the system of law we employ in Hong Kong is the system of a common law and the language of the common law is English, in common with other common law jurisdictions.

DR. HO: *Sir, in order to attract more Cantonese-speaking Magistrates and Judges will Government consider allowing qualified candidates to work on a part time basis in our court?*

CHIEF SECRETARY: Yes, Sir, that is already being done in consideration of the members of the profession who have applied for appointment. The question of employing them on a limited time basis is being considered.

MR. CHEN: *Sir, would the relaxed entry requirements be applied across the board in so far as recruitment of Magistrates is concerned as to whether they are Cantonese-speaking or not Cantonese-speaking?*

CHIEF SECRETARY: No, Sir, the relaxation was really in order to attract local candidates, Cantonese-speaking candidates. There is no such intention to relax the requirement in respect of overseas candidates.

MISS DUNN: *May I ask the Chief Secretary to clarify what he meant by the issues being complex and therefore no time frame can be put on this review exercise?*

CHIEF SECRETARY: This question of the terms and conditions of service for local officers compared with other members of the service generally and of course the terms and conditions for overseas appointment.

MR. MARTIN LEE: *Sir, it now appears that it is going to take quite a long time before we can have more Chinese-speaking Judges and Magistrates but in the light of that is the Administration going to introduce any scheme so as to teach expatriate Judges and Magistrates to speak Cantonese?*

CHIEF SECRETARY: There are opportunities already, Sir, for all expatriate members of the Civil Service and of course the Judiciary to learn Cantonese.

MR. YEUNG: *Sir, does the Government find it satisfactory to employ Cantonese-speaking candidates recruited under the new relaxation requirements and if so why were those requirements not introduced at an early stage?*

CHIEF SECRETARY: Sir, I think this consideration that Cantonese should be used in the lower courts is something which has been borne in on the Administration in recent times.

MR. PETER C. WONG: *My question is quite similar to Mr. YEUNG'S, but I will ask it none the less. Is the Chief Secretary aware that the Magistrates Association is not exactly happy with the relaxation of entry requirements from 40 years of age and 10 years experience to 30 years of age and five years experience because the association feels that people of 30 years of age and five years experience are not mature enough to act as Magistrates. Does the Chief Secretary feel that that feeling is justified?*

CHIEF SECRETARY: Sir, one must take into consideration the local requirement and if this is what is needed in order to attract local Cantonese-speaking Magistrates into the profession then these are steps and decisions we have to take.

MR. CHEONG: *Sir, does that mean that this Administration is prepared to sacrifice quality for expediency?*

CHIEF SECRETARY: Sir, it is not a question of sacrificing quality for expediency. We must ensure certainly that justice is done and I am satisfied that justice is being done even though qualifications have been relaxed and I am sure that we would have the advice of the Chief Justice on that particular point. It is after all a matter for the Judiciary.

Gas detector warning systems

5. MR. ANDREW WONG asked: *When does Government intend to introduce legislation to require all domestic and commercial premises which use gas or LPG to be fitted with gas detector warning systems?*

SECRETARY FOR LANDS AND WORKS: Sir, it is not our intention to legislate for the use of such instruments. To be effective, they have to be reliable and because of the high degree of sensitivity required, they need more expert regular maintenance than the average gas consumer could be expected to provide.

The internationally accepted method of alerting the public or gas consumers to the existence of a gas leak is to add a distinctive odour to the gas, be it town gas, LPG or substitute natural gas, so that it can be easily detected by a person with a normal sense of smell at a concentration well below that at which it can ignite and burn or explode. This international practice is followed in Hong Kong.

MR. ANDREW WONG: *Sir, will the Secretary for Lands and Works inform this Council what international and/or British safety standards, is the gas plant in the Tai Po Industrial Estate required to conform to and if such safety standards include gas detector warning systems?*

SECRETARY FOR LANDS AND WORKS: *Sir, the Tai Po gas plant was designed and constructed with British Gas as the consultants who are of course very familiar with the legislative requirements regarding safety in the United Kingdom and therefore have specified and ensured that such are met in the Tai Po plant.*

Payment of public assistance allowances into bank accounts

6. MRS. NG asked (in Cantonese): *Since old age and disability allowances can be paid directly into the bank accounts of the recipients, will Government inform this Council:*

- (a) why other public assistance allowances cannot similarly be paid directly into recipients' bank accounts; and*
- (b) how the recipients of these other allowances can receive payments if no post office exists in the vicinity of the residences?*

SECRETARY FOR HEALTH AND WELFARE: *Sir, old age allowance and disability allowance are flat rate allowances which are generally paid on a fairly long-term basis and therefore payments can conveniently be made directly into recipients' bank accounts every month.*

Public assistance, on the other hand, is a payment to make up the difference between a household's resources and the public assistance level appropriate to the household's circumstances. The amount payable is quite likely to vary from month to month in response to changes in the household's income or other circumstances, and of the 62 000 public assistance cases on hand, about 77 per cent are considered to be likely to be subject to payment variations. Payments need to be stopped immediately in an average of 1 500 cases per month.

The existing system of payment through cash order books is working well. These orders can be cashed at 82 post offices, seven New Territories district offices and four Treasury offices, either by the recipient personally or by an agent approved by the Social Welfare Department; and if necessary payments can be made direct to recipients' homes. The system ensures that clients receive correct payments promptly and that the risk of overpayments because of clients' changed circumstances is kept to a minimum. I understand from the Director of Social Welfare that there has been little demand for payment through banks, and in the absence of any clear advantage in doing so, the department would prefer not to have to introduce a second system of payment.

MRS. NG (in Cantonese): *Sir, I am very pleased to learn that seven New Territories district offices are assisting in the distribution of these payments; I wonder if this can be extended to urban district offices and their sub-offices to facilitate payment.*

SECRETARY FOR HEALTH AND WELFARE: Sir, I suspect the reason why at present this is not done through urban district offices is that post offices are more closer together in the urban areas but I will suggest to the Director of Social Welfare that she considers whether this would be useful.

MR. HUI: *Since the Secretary said that 77 per cent are considered to be likely to be subject to payment variations, that means that about 23 per cent are not subject to such variations. Could arrangements be made to facilitate those long-term payments to the recipients in a better way?*

SECRETARY FOR HEALTH AND WELFARE: Sir, as I have said there doesn't appear to be any great problem and in cases where recipients genuinely cannot either themselves get to a post office or district office and are not able to appoint an agent, arrangements can be made and I am sure are made for the payments to be taken direct to the homes of the recipients. In such circumstances it seems to me that the situation is quite satisfactory.

MRS. NG (in Cantonese): *Sir, I am very pleased that the Government organises personal delivery where necessary. May I know what percentage of the recipients of public assistance receive the service and what is the criteria used?*

SECRETARY FOR HEALTH AND WELFARE: Sir, I'm advised that in about 4 000 cases under the Public Assistance Scheme, payments are made direct to the homes of the recipients, either to their individual homes or a number of cases arrangements are made for payments to be made to residential homes for the elderly.

Questioning of arrivals from Philippines

7. MR. LI asked: *Will the Government inform this Council what immigration policies and procedures have been applied when processing recent arrivals from the Philippines, and whether these procedures include questioning arrivals on their political affiliations?*

ATTORNEY GENERAL: Sir, I presume that Mr. LI is referring to persons who do not have the right to land in Hong Kong.

The policy has remained unchanged in respect of such persons arriving recently from the Philippines. Generally speaking, it is that they must have adequate funds for their visits. They must also have an onward booking or other evidence that suitable arrangements have been entered into for their departure. They can then be allowed to land subject to certain conditions which

invariably mean that they must leave before the end of a given period of time. Visitors coming from the Philippines for longer than seven days' stay in Hong Kong are required to have visas. Those coming here to work will need employment visas.

As far as procedures are concerned, it continues to be the responsibility of immigration officers at control points to satisfy themselves that passengers arriving from the Philippines can meet the requirements. They subject arriving passengers to routine checks and questioning at immigration desks followed by further questioning in private if they have doubts. During the confused situation in the Philippines in the last week of February 1986, immigration officers questioned arriving passengers more thoroughly than usual.

As regards the last part of Mr. Li's question, these procedures did *not* include routine questioning of arrivals on their political affiliations. But where an immigration officer could not make up his mind whether a passenger arriving from the Philippines might or might not overstay, questions about the passenger's political affiliations might help to determine whether he was likely to return to the Philippines.

MR. LI: *Sir, have these immigration policies and procedures been applied to all arrivals from the Philippines or only Philippine nationals and have they been applied to children under the age of 12?*

ATTORNEY GENERAL: Sir, the policy is that which I have stated and it has not changed in recent weeks as I indicated. Therefore it would be applied in just the same way to all those who arrive from the Philippines. Whether or not any immigration officer would be concerned to question a child of the age mentioned by Mr. Li, I cannot be sure. One would have thought that questions would be more properly directed to the parents or others in charge of the children.

MR. LEE YU-TAI: *Sir, can the Attorney General explain further on the specific purpose of questioning arrivals on their political affiliations and what has the authority learned from it?*

ATTORNEY GENERAL: In normal circumstances, Sir, Filipinos' political affiliations have been a matter of total indifference to immigration officers. However the circumstances at the end of February and beginning of March, were far from normal and it seemed likely that at least some who left the Philippines immediately following the change in Presidency might have been reluctant to return because of their association with the previous regime. The questions regarding persons' political affiliation were not undertaken for their own sake but, as I indicated, to resolve doubt where it existed as to arriving passengers' future intentions in leaving Hong Kong. Such questions could be relevant to show whether they were bona fide visitors in Hong Kong or had some other purpose in coming here. Immigration officers are only interested in political affiliations to the extent that they shed light on the purpose in coming to Hong Kong and the intention or otherwise to return to Philippines.

Interim payment for contractors employed by subvented organisations

8. MR. CHENG asked: *Will Government advise this Council what measures have been or will be taken to check the certificate of interim payment signed by the appointed architect or engineer responsible for construction works undertaken by subvented organisations, in order to avoid overpayment to the contractor by the Government?*

SECRETARY FOR LANDS AND WORKS: Sir, no measures have been taken to check interim payments signed by consultants nor is it intended that interim payments should be checked by Government in the future. Consultants are appointed by subvented organisation, to design, prepare contract documents and to supervise contracts. Certifying interim payments during construction is part of the consultants' professional and contractual responsibilities. The contract is made between the subvented organisation and the contractor. The consultant is appointed by the subvented organisation to act as the 'architect' or 'engineer' under the contract. It is not appropriate for Government as a third party outside the contract to interfere with contractual arrangements, such as the certification of interim payments by the architect.

MR. CHENG: *Sir, while I appreciate the reply of the Secretary for Lands and Works, may I ask the Government to confirm that it is not even the duty of the subvented works section of the Architectural Office to check the certification of payment to contractor for the construction of grant-in-aid schools?*

SECRETARY FOR LANDS AND WORKS: Sir, I do so confirm to Mr. CHENG. However, the staff of the Architectural Office do carry out certain checks on the final payments to ensure that the work done is properly chargeable to the subvented part of the account, i.e. the part that the Government has already agreed in advance, because the costs of most subvented projects are normally shared by the sponsoring agencies and Government.

Written answers to questions**Nuisances caused by street sleepers**

9. MR. HO asked: *What policy has the Government formulated towards the minimising of nuisances caused by street sleepers?*

SECRETARY FOR DISTRICT AND ADMINISTRATION: Sir, Government's policy in minimising the nuisances caused by street sleepers is formulated at the street management as well as social welfare levels. On the one hand, Government conducts regular clearance operations involving relevant departments to deter street sleeping and curb nuisances. On the other hand, counselling and rehousing services are provided to those who are genuinely homeless.

Street sleepers can be divided into three categories:

- (a) the able-bodied who already have permanent accommodation;
- (b) the down-and-outs without a place to live; and
- (c) those who appear to be mentally ill.

Those in category (a) may sleep on the street because they have a job nearby or are looking for work in that neighbourhood and may find it inconvenient to travel some distance to their normal place of abode. Such street sleepers may not be in need of welfare services.

Those in categories (b) and (c) who do not have a place to live are approached by Social Welfare Department staff to seek temporary accommodation in shelters run by the department and by voluntary agencies. There are over 1 450 such places to which street sleepers may be referred. Those persons, including singletons, seeking permanent accommodation may be helped under the compassionate rehousing programme, under which some 900 units are reserved each year by the Housing Department.

Those in category (c) present particular problems. Street sleepers with mental problems are assisted by welfare personnel to seek treatment whenever possible. Others may be mentally sub-normal or possess an inadequate personality but they are not mentally ill. While Government is generally tolerant towards street sleepers who do not pose a danger either to themselves or to the public, there are existing provisions in the law which could be used to deal with the problems presented by the street sleepers whenever necessary. For example, street sleepers who appear to be in a state of mental disorder may be brought to a District Judge, a Magistrate or a Justice of Peace and an order may be made under section 31 of the Mental Health Ordinance to detain a person in a mental hospital for a period not exceeding seven days.

As regards the inter-departmental clearance operations, many of which are co-ordinated by district management committees, the intensive efforts in clearing major black spots have yielded positive results. For example, over 60 street sleepers at Ferry Point in Yaumatei district have recently been cleared. They have been offered temporary housing spaces, pending further processing for other forms of housing. Almost all of them have taken up the offer and have not squatted again.

Office accommodation for mutual aid committees

10. MRS. NG asked: *Will Government inform this Council:*

- (a) *when the size of Government subsidised offices for mutual aid committees in public housing estates was set; and*
- (b) *whether there is any plan to review this size?*

SECRETARY FOR HOUSING: The current standard of space allocation for rent-free office accommodation for mutual aid committees (MAC) in public housing estates is 15m² and was set in 1981 after a review by the Housing Department in consultation with the then Home Affairs Department. This standard was confirmed again after a further review in 1984. MAC offices have also become a standard provision for all new public housing and home ownership scheme blocks. But some MAC offices in older estates may not reach the current space standard because it is not always possible to find suitable premises of that size in those estates. However, if larger rooms are required for meetings, arrangements can be made with the estate offices to use estate community halls or estate office conference rooms.

The present standard of space allocation is considered adequate, but is subject to regular review.

Statement

Changes to the Approved Estimates of Expenditure approved during the third quarter of 1985-86—Public Finance Ordinance: section 8.

FINANCIAL SECRETARY: Sir, in accordance with section 8(8)(b) of the Public Finance Ordinance, I have tabled for Members' information a summary of changes made to the approved Estimates of Expenditure in the third quarter of the financial year 1985-86.

Supplementary provision of \$750.6 million was approved, of which \$518.8 million were included in supplementary warrants. Net supplementary provision of \$423 million was approved for payment to the Mass Transit Fund to enable the proceeds of a debt repayment by the Kowloon-Canton Railway Corporation to be set aside towards an equity injection of \$1 billion for the Mass Transit Railway Corporation in 1987-88. Other sums of supplementary provision approved have been offset either by savings under the same or other heads of expenditure or by deletion of funds under the additional commitments votes and these included \$210 million for payment of out-of-court settlement as advised by Counsel for the Crown and \$40.7 million for adjustments of salaries and allowances for Judiciary and Royal Hong Kong Police Force.

Approved commitments were increased by \$213.6 million during this period and new commitments of \$1,044.7 million were also approved.

Items in this summary have been approved either by Finance Committee or under delegated authority. The latter have been reported to the Finance Committee in accordance with section 8(8)(a) of the Public Finance Ordinance.

Exchange Fund and banking issues

FINANCIAL SECRETARY: Sir, during the course of the Budget debate several Members, being unaware of the complicated issues involved and troubled by press reports, reasonably sought clarification about the Exchange Fund, its use, the Ka Wah Bank takeover by China International Trust and Investment Corporation (CITIC) and general policy towards troubled small locally incorporated banks. I am sure that the totally different Union Bank situation would have been included if they could have anticipated events. Similar concern has since been expressed by the media. It could be argued that such matters of considerable and justifiable public interest would more properly be dealt with in the forthcoming debate on the important new Banking Bill. There is, however, widespread concern and I am sure that it is right to respond as soon as possible.

First I wish to address the speeches of two Members whose comments on the legal background to the responsibilities and duties of the Financial Secretary in this field seem to merit particular attention.

The first Member said on the opening day of debate in relation to CITIC's investment in Ka Wah ... 'this is a very dangerous precedent for sidestepping the Finance Committee'. He later said ... 'this raises a constitutional point of fundamental importance'.

I do indeed understand his concern *prima facie*, but I trust the following explanation will assuage those concerns.

First the law as it exists. Section 3(1) of the Public Finance Ordinance provides generally that monies received by the Government shall form part of the general revenue. But this general rule is subject to any exceptions created either under the Public Finance Ordinance or any other Ordinance. The Exchange Fund Ordinance, which predated the Public Finance Ordinance, provides for a separate legal regime in respect of the control, management and audit of the Exchange Fund and is, therefore, outside the scope of the Public Finance Ordinance and has always been so treated.

He then went on to pose several issues including the right of the Government, that is to say the right of the Financial Secretary on whom responsibility and duty are equally placed, to operate under the Exchange Fund Ordinance without Finance Committee approval.

I explained the basic legal position both before and after the Finance Committee hearings that evening. The next day the other Member, being equally and not surprisingly unaware of the position and reflecting only press comments, seemed to suggest that my actual use of the Exchange Fund for the purpose in question was *ultra vires*.

The position has always been clear and has recently been reaffirmed in legal advice to the following effect:

The language of section 3(1) of the Exchange Fund Ordinance clearly requires the Financial Secretary to consider matters that may *affect*, either directly or *indirectly*, the exchange value of the Hong Kong currency. The use of the words 'affect' and 'indirectly' enable me to consider not only the immediate consequences of the use, or the failure to use, the fund, but also second-order consequences, the so-called 'knock-on' effect. In other words if I believe, having considered all relevant factors, that failure to use the Exchange Fund to support a bank may, whether directly or indirectly, adversely affect the exchange value of the Hong Kong dollar, then I am within my powers to act. Indeed I have a duty to do so. I should add that it matters not whether I act by drawing a guarantee on the fund or by actually utilising funds drawn from the fund. Once I have formed my view, then it is my responsibility as Financial Secretary to take appropriate action.

I have formed the opinion, having considered all relevant factors, that the circumstances of Ka Wah Bank were such that its failure would have had an unacceptable adverse effect on the exchange value of the currency of Hong Kong. On this basis I decided that I had the necessary powers to act. Indeed I would be failing in my responsibility if I had not done so.

I think that all Members appreciate that the well being of local banks is a very significant factor in the overall economy. This is true in Hong Kong as elsewhere. Banks are not like department stores. Their collapse presents many difficult issues.

The commissioner and I, however, are also strictly constrained by the stringent secrecy provisions of the Banking Ordinance. These are not unique to Hong Kong, but reflect only normal international practice. They stem in part from the particularly confidential nature of relationships between banks and their customers, and in part from the sensitivity of any information relating to a bank's own affairs. Those Members of this Council in particular who have banking experience will know how important banking secrecy is. One rumour can start a run. One careless comment by the Financial Secretary or the Commissioner of Banking could create panic. Insider dealing is always a threat for share prices are also sensitive. Let me, therefore, by way of illustration turn back to 1983 to indicate why a relatively small banking collapse could well affect directly or indirectly the exchange value of the Hong Kong currency. It is my judgement, which is fairly widely shared, that if the Government had not rescued Hang Lung Bank at that time, not only could other banks have collapsed as the ripples spread (which is an ever present consideration) but other important sectors of the economy would also have been set at total risk. Moreover such problems might not have been contained within Hong Kong and we have to have regard for our international responsibilities. In my view in the circumstances at that time not only would the currency have been affected but it would probably have collapsed altogether. Whatever the arguments of critics who cannot know the full facts of the situation, this would seem to me to

be an absurd risk to take when it could be avoided quite simply by the prudent use of adequate reserves. The man in the street has been protected throughout. An alternative scenario would have presented a very different and dangerous picture. Members will recall that similar arguments have been advanced elsewhere in the case of Johnson Mathey Bank and Continental Illinois. If Ka Wah Bank had collapsed last summer at the same time as OTB there would undoubtedly have been a serious domino effect on other small banks and the interbank system. This would certainly have had a serious effect on the Hong Kong dollar. I would then have been attacked for not intervening. There is clear evidence in other financial centres of the high risk of bank failures engendering serious and wide ranging difficulties throughout the financial sector.

If a system of deposit insurance existed in Hong Kong the problems might be somewhat mitigated, though not removed. Inter-bank deposits are an important issue. But as you all know, the Banking Advisory Committee is unanimously opposed. Their argument is persuasive given the profile of bank deposits in Hong Kong.

The decisions that have been made—and have had to be made—have obviously been difficult with many conflicting factors involved. They are the most difficult that I have faced apart from the currency link. It seems to me that many Members may not understand the real reason for Legislative Council (not Finance Committee) involvement in the Hang Lung and OTB takeovers. While we were still clearly finding our way in an untried form of highly unpopular direct intervention, the need to approach the Legislative Council was not so much to provide money, which could have been arranged under the Exchange Fund Ordinance, but with Executive Council approval to agree special legislation to expropriate private assets, and to announce measures to assess possible shareholder compensation. Nationalisation if you like. Such action has not since been necessary. I hope it never will be again. Quite apart from anything else, Government has to find management for the three banks that it owns. It is our problem. The Hongkong and Shanghai Bank has been very helpful with secondments; but clearly enough is enough. Anything short of takeover clearly eases management problems, though poor management is often the source of trouble.

Let me now in very broad and simplified terms describe the scope of the Exchange Fund. It contains the major part of Hong Kong's visible reserves—say \$19 billion—plus the note and coin backing—say another \$19 billion. This fund has been well managed for many years. It is held mainly in low risk liquid instruments in various hard currencies. Considerable surpluses have consequently been built up. Indeed the note and coin backing of \$19 billion is free of interest in the hands of the Exchange Fund. The cost of acquiring Hang Lung and OTB has already been written off in the Exchange Fund accounts and, even if we were to take a 'worst case' view of every other commitment into which the fund has entered in providing support to banks—and this in my view would be

overly pessimistic—the sum involved would still be less than half of the growth of these inner reserves in the last four years. So we are amply armoured. And the fund's accounts are audited annually by the Director of Audit. These monies are clearly available when required for purposes which are inter vires the Exchange Fund Ordinance. It is a proper matter of concern that those involved should be frugal in using these funds to soothe banking difficulties. Indeed it is only in unusual circumstances that they are so used. There are many other normal areas in which acting as a quasi central bank there is Exchange Fund intervention. Some indeed are profitable, though that is not the main purpose. Moreover in emergency the whole Exchange Fund could in theory be called upon. There has been concern that we are using up these reserves. I hope that I have demonstrated that not only this is not true but they have actually grown considerably over these past four difficult years—a source of some comfort to me personally, and I hope to the banking community as a whole.

Sir, I state again that the Government is committed to preserving the prosperity and stability of Hong Kong. The reserves of the Exchange Fund in connection with the authorised powers and indeed express duties of the Commissioner of Banking and the Financial Secretary with regard to the Banking Ordinance and the Exchange Fund Ordinance respectively form a lender of last resort—a quasi central government bank such as exists in so many other places in the world. Such an institution in addition to many other confidential affairs must be ready when essential to consider support for local banks if and when they run into troubles. Each case is different and must be handled on an ad hoc basis. No banker and certainly no shareholder in a local bank should be lulled into an imprudent belief that if he gets into trouble Exchange Fund support is inevitable. A judgment must be made in each case, and it is the interests of depositors, not those of shareholders, directors or managers of banks which must take priority. This judgment also has to take into account possible ripple effects. One day—and the sooner the better—there will not be support for a small bank in trouble. We will be ruthless in this regard provided that it does not result in serious damage to the prosperity and stability of Hong Kong. We have all along taken this approach to the problems of DTC's.

There is no precedent. Each case stands on its own. My message is clear and will I hope be understood.

There really is very little similarity between the problems of Hang Lung, OTB, HICB, Wing On, Ka Wah and Union Banks. All have required widely different approaches. Some may prove expensive to the Exchange Fund: others like the Union Bank will probably cost nothing. In some cases improper practice has been widespread. The Commissioner of Banking, unknown to the public because of the clear need for secrecy, has also been involved in seeking to give good counsel to several other small banks. He has patently been successful. No news is goods news. We do not seek headlines.

Members may ask why these responsibilities should be placed by law, as they are, on the Financial Secretary and Banking Commissioner and not shared more widely. The answer lies in part in the need for banking secrecy. But in part too in the need for them to be able to respond promptly, decisively and confidentially. Otherwise, if I might paraphrase a comment from Mr. Peter WONG: 'while the crew debated, the ship sank'.

I have said many times that Hong Kong depends utterly on trade and industry. Sound banking is their backbone. The integrity of the economic system of Hong Kong could not withstand a series of major local banking problems. It is very difficult to differentiate between major and minor. The onus rests on the Financial Secretary. Hong Kong has come through a rough four years since the collapse of the DTC Dollar Credit in 1982 which was a harbinger of banking problems. During the difficult following years we have experienced minimum real trouble. Certainly no depositor has suffered and we must be concerned about the savings of the man in the street. Thanks in part to tight fisted and by no stretch of the imagination guaranteed use of the Exchange Fund, which nevertheless we can clearly well afford, Hong Kong seems now to be sailing into smoother waters. The Commissioner of Banking believes that we are about clear of serious local bank problems. I hope that he is right. There is no way of so guaranteeing.

Members will have noticed that in the new Bill there is provision for an annual report by the commissioner through the Banking Advisory Committee to the Executive Council. With their approval the report can then be published annually. This might well be timed just before each year's Budget debate and produce a form of accountability in this very sensitive area. It will cover the commissioner's activities under the Banking Ordinance.

There are four particular points which I wish to underline. *Firstly*, the maintenance of the stability and prosperity of Hong Kong ranks above other considerations. The livelihood of all of us depends upon it. Risks cannot be taken. *Secondly*, the Financial Secretary will not agree that Government money should knowingly be put in the hands of those who cannot be trusted. Moreover none of us have real sympathy for the problems of managers and shareholders. Depositors' interests are paramount. *Thirdly*, problems tend to be cumulative. The commissioner must get in early as he has successfully done with the Union Bank. This is one reason for requiring an improved Banking Ordinance. *Fourthly*, I really am rather sorry about the comments made about CITIC and the irrelevancies about Tin Shui Wai and the Daya Bay nuclear plant. I welcome CITIC's investment in Ka Wah, which was at their initiative. I hope that they profit from it. They too seek to support the real interests of Hong Kong. Members will be interested to know that this rescue of Ka Wah took the Commissioner of Banking 11 months and went through at least five major variations and combinations with various possible local and overseas participants. Towards the end, management was provided by Standard Chartered

Bank at no cost to Government. The particular terms of this deal must remain confidential to those involved because of commercial and share price sensitivity, and of the stringent requirements concerning secrecy in the Banking Ordinance. It was certainly the best deal available and much cheaper than a takeover. The outcome results in the provision of new management. The secrecy provisions in the Ordinance are of major importance to the industry. There are several similar areas in which secrecy is enforced, for example under the Securities Ordinance. I can, however, confirm that there is an Exchange Fund guarantee to CITIC about the loan book position. Its cost cannot be quantified for at least three years. But as I have said, any likely contingency commitment is well within the capacity of the fund.

If an efficient fire brigade extinguishes several serious fires without allowing them to damage adjacent property it should surely be congratulated. It would certainly be blamed for incompetence if it had failed. But as knowledgeable Members of the Council have commented, there remain the proper questions of whether our reserves are sufficient and why did the fires start in the first place. I have already spoken about the scope of the Exchange Fund. As to the second question, which is very proper and very difficult to answer, there can be no sure reply beyond the passage of history, a superfluity of DTC's, the ending of the bank moratorium, clear instances of malfeasance and of corruption, harsh competition with larger banks, standards of auditing which required improvement, the extraordinary last four years including political uncertainty, the lack of control of the money supply before 1983, the property bust, various recent developing problems in South-East Asia, and no doubt a fair degree of incompetent bank management. Clearly I cannot think that Government supervision has been immaculate because otherwise we would not be considering with urgency a new Banking Bill—the outcome of two years work and extensive consultation with all concerned.

I hope that we are now out of the wood. Goodness knows we have worked hard enough. But clearly I can make no promises. You all must judge the wisdom of what we have done and the success which we have achieved. Do please think what the alternative scenarios might have been. The holding of large reserves would be purposeless if the economy had been turned into a desert by obstinate refusal to use those very reserves which we had prudently made available for just such a purpose.

As it is we have not followed a hand to mouth policy confined to saving banks by the use of the Exchange Fund. We have been dealing at the same time with cause, prevention, and cure. Where the commissioner has detected weakness he has co-operated with managements to nurse their banks through difficult times. Where crises have arisen we have used the powers available to us, including the Exchange Fund, responsibly, promptly and decisively. We have, with the co-operation of the banking industry, proposed revisions of the Banking Ordinance to give more supervisory power to the commission in order to reduce

substantially the risk of such crises occurring. Indeed I know of no more important task for this Council than to complete consideration of the Banking Bill and get it on to the Statute Book.

I have already referred to the commissioner's annual report. For many years an Unofficial Member of this Council has been a member of the Exchange Fund Advisory Committee. This has not been the case since Mr. BROWN'S retirement from the Council. It is the intention of Your Excellency in due course to appoint two additional knowledgeable local members to the EFAC, one of whom will be a Member of this Council.

Responsibility, indeed the duty, over use of the Exchange Fund lies squarely on the Financial Secretary, who might reasonably be expected to consult from time to time with you, Sir. I also have an open door. Within the secrecy provisions of the Banking Ordinance I am always ready to answer any questions of any Member to the best of my ability. A simple telephone call will often set doubts at rest.

I am paid to take decisions. I stand by those that I have made. It is a heavy burden which I cannot share.

Members may be amused if, in conclusion, I quote Winston Churchill in the House of Parliament in September 1949:

'There is no sphere of human thought in which it is easier for a man to show superficial cleverness and appearance of superior wisdom than in discussing questions of currency and exchange.'

Government Business

Motion

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

THE SECRETARY FOR LANDS AND WORKS moved the following motion: That with effect from 11 April 1986—

- | | |
|--------------------|---|
| First
Schedule. | (a) the functions exercisable by the Director of Building Development by virtue of the enactments specified in the second column of the First Schedule be transferred to the Director of Buildings and Lands; |
| First
Schedule. | (b) the enactments specified in the second column of the First Schedule be amended in the manner specified opposite thereto in the third column of that Schedule; |

'FOURTH SCHEDULE

[s. 2(2).

1. Housing Department.
2. Buildings and Lands Department.
3. Architectural Services Department.
4. Territory Development Department.
5. Engineering Development Department.;

(Cap. 243.) (m) section 7(1)(b)(ii) of the Child Care Centres Ordinance be amended by deleting 'the Director of Building Development,';

(Cap. 276.) (n) (i) the functions exercisable by the Government Mass Transit Engineer by virtue of section 29 of, and the Second Schedule to, the Mass Transit Railway (Land Resumption and Related Provisions) Ordinance be transferred to the Chief Estate Surveyor; and

(Cap. 276.) (ii) the Second Schedule to the Mass Transit Railway (Land Resumption and Related Provisions) Ordinance be amended by deleting 'Government Mass Transit Engineer' and substituting the following—
 'Chief Estate Surveyor'; and

(o) any Crown lease or other instrument or contract affecting or relating to any land be construed, as respects any function exercisable in respect thereof by the Director of Lands, and have effect as from 11 April 1986 as if for any reference therein to the Director of Lands there were substituted a reference to the Director of Buildings and Lands.

FIRST SCHEDULE

ENACTMENTS IN RESPECT OF WHICH FUNCTIONS OF THE DIRECTOR OF BUILDING DEVELOPMENT ARE TRANSFERRED TO THE DIRECTOR OF BUILDINGS AND LANDS

<i>Item</i>	<i>Enactment</i>	<i>Amendment</i>
(Cap. 17, sub. leg.)	1. Lands Tribunal Rules	<p>(a) In rule 41(2) and (3), delete "Building Development" wherever it occurs and substitute the following— "Buildings and Lands"; and</p> <p>(b) in Forms 7,8 and 11 in the Schedule— (i) delete "Building Development" wherever it occurs and substitute the following— "Buildings and Lands"; and (ii) delete “建築拓展署” wherever it occurs and substitute the following— “屋宇地政署”</p>

	<i>Item Enactment</i>	<i>Amendment</i>
(Cap. 123.)	2. Building Ordinance	<p>(a) In the definition of "Building Authority" in section 2(1), delete "Building Development" and substitute the following— "Buildings and Lands";</p> <p>(b) in sections 2(2), 18(1)(ii) and (3), delete "Director of Building Development" wherever it occurs and substitute the following— "Director of Buildings and Lands"; and</p> <p>(c) in section 114(10) in the Second Schedule, delete "Building Development" and substitute the following— "Buildings and Lands".</p>
(Cap. 132.)	3. Public Health and Municipal Services Ordinance	In section 27(6)(b), delete "Building Development" and substitute the following— "Buildings and Lands".
(Cap. 132, sub.leg.)	4. Public Market (Urban Council) By-laws	In by-law 7(2)(a) and (b) and (3), delete "Building Development" wherever it occurs and substitute the following— "Buildings and Lands".
(Cap. 132, sub.leg.)	5. Public Market (Regional Council) By-laws	In by-law 7(2)(a) and (b) and (3), delete "Building Development" wherever it occurs and substitute the following— "Buildings and Lands".
(Cap. 132, sub.leg.)	6. Slaughter-houses (Regional Council) By-laws	In by-law 22(d), delete "Building Development" and substitute the following— "Buildings and Lands".
(Cap. 172.)	7. Places of Public Entertainment Ordinance	In the definition of "Building Authority" in section 2, delete "Building Development" and substitute the following— "Buildings and Lands".
(Cap. 214, sub.leg.)	8. Metrication Amendments (Places of Public Entertainment Regulations) Order	In paragraph 6, delete "Building Development" and substitute the following— "Buildings and Lands".
(Cap. 243, sub.leg.)	9. Child Care Centres Regulations	In regulations 23(1)(b) and (2) and 24(2)(b), delete "Building Development" wherever it occurs and substitute the following— "Buildings and Lands".
(Cap. 279.)	10. Education Ordinance	In section 12(3) and (5)(c), delete "Director of Building Development" wherever it occurs and substitute the following— "Director of Buildings and Lands".

	<i>Item Enactment</i>	<i>Amendment</i>
(Cap. 279, sub.leg.)	11. Education Regulations	In regulation 14, delete "Building Development" and substitute the following— "Buildings and Lands".
(Cap. 301.)	12. Hong Kong Airport (Control of Obstructions) Ordinance	(a) In sections 5, 7(1), 13, 14(1), 15(1), (2)(c)(ii), and (8), 16(1), (6), (8) and (9), 17, 18(2), 20(g), 23(1) and (2), 24(a) and (f) and 25(2), delete "Building Development" wherever it occurs and substitute the following— "Buildings and Lands"; and (b) In section 16(3), delete "Director of Building Development's certificate" and substitute the following— certificate of the Director of Buildings and Lands".
(Cap. 301, sub.leg.)	13. Hong Kong Airport (Control of Obstructions) (Lighting) (Consolidation) Order	In paragraph 2, delete "Building Development" and substitute the following— "Buildings and Lands".
(Cap. 337.)	14. Demolished Buildings (Re-development of Sites) Ordinance	In the definition of "Director" in section 2(1), delete "Building Development" and substitute the following— "Buildings and Lands".
(Cap. 1112.)	15. Chinese Permanent Cemeteries Ordinance	In section 3(2)(a)(ii), delete "Building Development" and substitute the following— "Buildings and Lands".

SECOND SCHEDULE

PROVISIONS IN RESPECT OF WHICH REFERENCES TO THE BUILDING DEVELOPMENT
DEPARTMENT ARE AMENDED TO THE BUILDINGS AND LANDS DEPARTMENT

	<i>Item Enactment</i>	<i>Provision</i>
(Cap. 123.)	1. Buildings Ordinance	Section 18(1)(ii) and (3).
(Cap. 279.)	2. Education Ordinance	Section 12(3) and (5)(c).
(Cap. 301, sub.leg.)	3. Hong Kong Airport (Control of Obstructions) (Consolidation) Order	The definition of "plans approved by the Building Authority" in paragraph 2.
(Cap. 337.)	4. Demolished Buildings (Re-development of Sites) Ordinance	Section 2(2).

THIRD SCHEDULE

ENACTMENTS IN RESPECT OF WHICH FUNCTIONS OF THE DIRECTOR OF
LANDS ARE TRANSFERRED TO THE DIRECTOR OF BUILDINGS AND LANDS

	<i>Item Enactment</i>	<i>Amendment</i>
(Cap. 7.)	1. Landlord and Tenant (Consolidation) Ordinance	In section 50(6)(f)(ii), delete "Lands" and substitute the following— "Buildings and Lands".
(Cap. 17, sub.leg.)	2. Lands Tribunal Rules	(a) In rule 44(1)(b), delete "Lands" and substitute the following— "Buildings and Lands"; and (b) in Forms 3, 4 and 9 in the Schedule— (i) delete "Director of Lands" wherever it occurs and substitute the following— "Director of Buildings and Lands"; and (ii) delete "地政署署長" wherever it occurs and substitute the following— "屋宇地政署署長".
(Cap. 28.)	3. Crown Land Ordinance	In the Schedule, delete "Lands" wherever it occurs and substitute the following— "Buildings and Lands".
(Cap. 40.)	4. Crown Leases Ordinance	In the definition of "Director" in section 2, delete "Lands" and substitute the following— "Buildings and Lands"
(Cap. 97, sub.leg.)	5. Duplicate Permits and Licences (New Territories) Rules	In rule 2, delete "Lands" wherever it occurs and substitute the following— "Buildings and Lands".
(Cap. 106.)	6. Telecommunication Ordinance	In section 14(1)(a) and (3)(b), delete "Director of Lands" wherever it occurs and substitute the following— "Director of Buildings and Lands".
(Cap. 118.)	7. Crown Lease (Pok Fu Lam) Ordinance	In the definition of "Director" in section 2, delete "Lands" and substitute the following— "Buildings and Lands".
(Cap. 123.)	8. Buildings Ordinance	In section 32(2)(b), delete "Lands" and substitute the following— "Buildings and Lands".
(Cap. 124.)	9. Crown Lands Resumption Ordinance	In the definition of "Authority" in section 2, delete "Lands" wherever it occurs and substitute the following— "Buildings and Lands".

	<i>Item Enactment</i>	<i>Amendment</i>
(Cap.125.)	10. Crown Rent and Premium (Apportionment) Ordinance	(a) In section 10(2), 14A(2) and 23(4)(a), delete "Lands" wherever it occurs and substitute the following— "Buildings and Lands"; and (b) in section 10(3)(a), delete "Lands, Survey and Town Planning" and substitute the following— "Buildings and Lands".
(Cap.130.)	11. Land Acquisition (Possessory Title) Ordinance	In the definition of "Director" in section 2, delete "Lands" and substitute the following— "Buildings and Lands".
(Cap.131, sub.leg.)	12. Town Planning Regulations	In regulation 2(1) and (2), delete "Lands" wherever it occurs and substitute the following— "Buildings and Lands".
(Cap.132.)	13. Public Health and Municipal Services Ordinance	(a) In sections 105A(3) and 105M(3), delete "Lands" wherever it occurs and substitute the following— "Buildings and Lands"; and (b) in the Third Schedule, delete "Lands" wherever it occurs and substitute the following— "Buildings and Lands".
(Cap.132, sub.leg.)	14. Advertisements By-laws	In by-law 1(1), delete "Lands" and substitute the following— "Buildings and Lands".
(Cap.132, sub.leg.)	15. Sanitation and Conservancy (Regional Council) By-laws	In by-law 2(2), delete "Lands" and substitute the following— "Buildings and Lands".
(Cap.194.)	16. Air Armament Practice Ordinance	In the Second Schedule, delete "Director of Lands" and substitute the following— "Director of Buildings and Lands".
(Cap.196.)	17. Defences (Firing Areas) Ordinance	In the Second Schedule, delete "Director of Lands" and substitute the following— "Director of Buildings and Lands".
(Cap.208.)	18. Country Parks Ordinance	In sections 16(7)(a) and (b) and 25(b), delete "Lands" wherever it occurs and substitute the following— "Buildings and Lands".
(Cap.247.)	19. Oil Pollution (Land Use and Requisition) Ordinance	In section 7(2) and (3), delete "Lands" wherever it occurs and substitute the following— "Buildings and Lands".

	<i>Item Enactment</i>	<i>Amendment</i>
(Cap. 285.)	20. Mining Ordinance	In section 9(a) and (c), delete "Lands" wherever it occurs and substitute the following— "Buildings and Lands".
(Cap. 368.)	21. Road Tunnels (Government) Ordinance	In the definition of "Director" in section 2, delete "Lands" and substitute the following— "Buildings and Lands".
(63 of 1985.)	22. Foreshore and Sea-bed (Reclamations) Ordinance	In the definition of "Director" in section 2, delete "Lands" and substitute the following— "Buildings and Lands"

FOURTH SCHEDULE

PROVISIONS IN RESPECT OF WHICH REFERENCE TO THE LANDS DEPARTMENT
IS AMENDED TO THE BUILDINGS AND LANDS DEPARTMENT

	<i>Item Enactment</i>	<i>Amendment</i>
(Cap. 106.)	1. Telecommunication Ordinance	Section 14(1)(a) and (3)(b).

FIFTH SCHEDULE

ENACTMENTS IN RESPECT OF WHICH FUNCTIONS OF THE DIRECTOR OF ENGINEERING
DEVELOPMENT ARE TRANSFERRED TO THE DIRECTOR OF BUILDINGS AND LANDS

	<i>Item Enactment</i>	<i>Amendment</i>
(Cap. 17, sub. leg.)	1. Lands Tribunal Rules	In Form 5 in the Schedule— (i) delete "Engineering Development" and substitute the following— "Buildings and Lands"; and (ii) delete "工程拓展署" and substitute the following— "屋宇地政署".
(Cap. 276.)	2. Mass Transit Railway (Land Resumption and Related Provisions) Ordinance	(a) In the definitions of "authorised officer" and "Director" in section 2, delete "Engineering Development" wherever it occurs and substitute the following— "Buildings and Lands"; and (b) in sections 3(1), (2), (3) and (4), 10(2) and 29(1), (2) and (3), delete "Engineering Development" wherever it occurs and substitute the following— "Buildings and Lands".

SIXTH SCHEDULE

ENACTMENTS IN RESPECT OF WHICH FUNCTIONS OF THE DIRECTOR OF BUILDING DEVELOPMENT ARE TRANSFERRED TO THE DIRECTOR OF ARCHITECTURAL SERVICES

<i>Item</i>	<i>Enactment</i>	<i>Amendment</i>
(Cap. 269.)	1. Telephone Ordinance	In section 12, delete "Building Development" and substitute the following— "Architectural Services".

He said: Sir, I rise to move the motion standing in my name on the Order Paper. This motion arises from the proposed re-organisation of certain departments in the Lands and Works group which will take place in two stages. The first stage which comes into effect on 11 April 1986 involves the formation of the Buildings and Lands Department, the Architectural Services Department and the Territory Development Department, as a result of which the Building Development Department will cease to exist. The second, which it is proposed should come into effect within the next few months, involves the formation of a Highways Department and the transformation of the Engineering Development Department into a Civil Engineering Services Department.

The motion concerns the first stage of the re-organisation. To enable the new Directors of the Buildings and Lands Department and the Architectural Services Department to assume their roles with effect from 11 April 1986, certain statutory powers need to be transferred to them. These powers are set out in the motion and the attached schedules.

Sir, I beg to move.

Question put and agreed to.

First Reading of Bill

PNEUMOCONIOSIS (COMPENSATION) (AMENDMENT) BILL 1986

Bill read the First time and ordered to be set down for Second Reading pursuant to Standing Order 41(3).

Second Reading of Bills

PNEUMOCONIOSIS (COMPENSATION) (AMENDMENT) BILL 1986

THE SECRETARY FOR EDUCATION AND MANPOWER moved the Second Reading of: 'A Bill to amend the Pneumoconiosis (Compensation) Ordinance'.

He said: Sir, I move the Second Reading of the Pneumoconiosis (Compensation) (Amendment) Bill 1986. The purpose of this Amendment Bill is to provide greater flexibility for the payment of compensation to the dependants of a pneumoconiosis victim who dies from a cause other than pneumoconiosis.

At present, where a pneumoconiosis victim is eligible to claim compensation under the Pneumoconiosis (Compensation) Ordinance, but dies from some other cause before the compensation is paid, his dependants are entitled to the compensation he would have received *provided* that a medical board had, prior to death, determined that the victim was suffering from pneumoconiosis, had assessed the degree of incapacity and had issued a certificate setting out its determination and assessment.

There may be cases, however, in which a pneumoconiosis victim had not presented himself to the medical board for examination prior to his death or, if he had, a certificate had not yet been issued at the time of his death. In such cases, his dependants would not be eligible to claim compensation because section 17(5) of the Ordinance as presently drafted requires the issue of a certificate by the medical board before compensation can be paid.

This requirement is perhaps unnecessarily strict. What is really needed is simple proof that the dependants are claiming compensation on behalf of a pneumoconiosis sufferer whose medical condition prior to death would have justified issue by the medical board of a certificate of determination and assessment.

Accordingly, it is proposed to amend the Ordinance to permit the dependants of a pneumoconiosis victim who dies from a cause other than pneumoconiosis to claim compensation on his behalf, whether or not he had submitted himself to the medical board for examination before his death, and whether or not a certificate had been issued by the board before his death, *provided* that sufficient medical evidence was available *before* death to enable the board to determine that he was suffering from pneumoconiosis and to assess the degree of permanent incapacity that would result from the disease.

Fortunately, there have been no cases so far where the dependants have failed to receive compensation as a result of the strictness of the present requirements. Nevertheless, the Bill has been drafted so as to permit the claims where the death of the pneumoconiosis victim occurred before its enactment, in view of the long gestation period of this disease provided that the death occurred after 1 January 1981, the commencement date of the Pneumoconiosis (Compensation) Ordinance. The proposal in this Bill has the support of the Labour Advisory Board and the Pneumoconiosis Compensation Fund Board.

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.

Question put and agreed to.

**INTERPRETATION AND GENERAL CLAUSES (AMENDMENT)
BILL 1986****Resumption of debate on Second Reading (12 March 1986)**

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).

MAN MO TEMPLE (AMENDMENT) BILL 1986**Resumption of debate on Second Reading (19 March 1986)**

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

**INTERPRETATION AND GENERAL CLAUSES (AMENDMENT)
BILL 1986**

Clauses 1 and 2 were agreed to.

MAN MO TEMPLE (AMENDMENT) BILL 1986

Clauses 1 to 5 were agreed to.

Third Reading of Bills

THE ATTORNEY GENERAL reported that the

INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL
1986 and the

MAN MO TEMPLE (AMENDMENT) BILL 1986

had passed through Committee without amendment and moved the Third Reading of the Bills.

Question put on the Bills and agreed to.

Bills read the Third time and passed.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on 16 March 1986.

Adjourned accordingly at thirteen minutes to Four o'clock.

Note: The short titles of motions/bills listed in the Hansard have been translated into Chinese for information and guidance only; they do not have authoritative effect in Chinese.

WRITTEN ANSWERS**Annex I****Written answer by the Secretary for Health and Welfare to Dr. IP's supplementary Question to question 3.**

Thank you for sending me the report on the Oral Health Status of Residents in the David Trench Home for the Aged. I note that this survey was based on a sample of 119 old people in the Home, which could not claim to be representative. Unfortunately, we do not have anything more comprehensive and there is therefore nothing I can add to the answer I gave to the first part of the supplementary question you asked on this subject in Legislative Council on 9 April.

As regards the second part of the supplementary question, on the number of people who had benefitted from special grants under the Public Assistance Scheme to meet the cost of dentures and fillings, a quick count for the period from January to March this year showed that 83 people had been given such grants. Without checking all the 63 000 records, it is not possible to be certain about the number of elderly people involved, but it is believed that they were a large proportion of that number. The total sum granted in these cases was about \$97,000.

Annex II**Written answer by the Secretary for Health and Welfare to Prof. POON's supplementary Question to question 3.**

This sheet contains a specific reference to the arrangement by which expenditure on dental treatment can be met from the Public Assistance Scheme; it is given to all recipients of public assistance and is available at all Social Welfare Department social security offices as well as from voluntary welfare agencies which make referrals to the department.

Special Grants

Recipients of public assistance are eligible, on an individual need basis and subject to limits, additional grants to cover the following expenses:

- Transportation
- Education expenses
- Child care service
- Residential services for children
- Special Diet
- Spectacles, dentures and fillings

WRITTEN ANSWERS—*Continued*

Reimbursements will be made on the production of a medical certificate and in the case of dental treatment on receipt from specified dental clinics.

Special medical care

Moving house expenses

Deposits for housing estate rent, water and electricity

Burial expenses

Other special expenses on application