

1 HONG KONG LEGISLATIVE COUNCIL -- 14 March 1990

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OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 14 March 1990

The Council met at half-past Two o'clock

PRESENT

HIS EXCELLENCY THE GOVERNOR (PRESIDENT)

SIR DAVID CLIVE WILSON, K.C.M.G.

THE CHIEF SECRETARY

THE HONOURABLE SIR DAVID ROBERT FORD, K.B.E., L.V.O., J.P.

THE FINANCIAL SECRETARY

THE HONOURABLE SIR PIERS JACOBS, K.B.E., J.P.

THE ATTORNEY GENERAL

THE HONOURABLE JEREMY FELL MATHEWS, C.M.G., J.P.

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

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

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

THE HONOURABLE CHAN YING-LUN, O.B.E., J.P.

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

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

THE HONOURABLE CHENG HON-KWAN, O.B.E., J.P.

THE HONOURABLE CHUNG PUI-LAM, J.P.

THE HONOURABLE HUI YIN-FAT, O.B.E., J.P.

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

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

PROF. THE HONOURABLE POON CHUNG-KWONG, J.P.

THE HONOURABLE SZETO WAH

THE HONOURABLE TAI CHIN-WAH, J.P.

THE HONOURABLE MRS. ROSANNA TAM WONG YICK-MING, J.P.

THE HONOURABLE TAM YIU-CHUNG

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

THE HONOURABLE ANDREW WONG WANG-FAT, J.P.

THE HONOURABLE LAU WONG-FAT, O.B.E., J.P.

THE HONOURABLE GRAHAM BARNES, C.B.E., J.P.
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

THE HONOURABLE MICHAEL LEUNG MAN-KIN, J.P.
SECRETARY FOR TRANSPORT

THE HONOURABLE EDWARD HO SING-TIN, J.P.

THE HONOURABLE MARTIN GILBERT BARROW, O.B.E.

THE HONOURABLE PAUL CHENG MING-FUN

THE HONOURABLE MICHAEL CHENG TAK-KIN, J.P.

THE HONOURABLE DAVID CHEUNG CHI-KONG, J.P.

THE HONOURABLE RONALD CHOW MEI-TAK

THE HONOURABLE MRS. NELLIE FONG WONG KUT-MAN, J.P.

THE HONOURABLE MRS. PEGGY LAM, M.B.E., J.P.

THE HONOURABLE DANIEL LAM WAI-KEUNG, J.P.

THE HONOURABLE MRS. MIRIAM LAU KIN-YEE

THE HONOURABLE LAU WAH-SUM, J.P.

DR. THE HONOURABLE LEONG CHE-HUNG
THE HONOURABLE LEUNG WAI-TUNG, J.P.

THE HONOURABLE JAMES DAVID McGREGOR, O.B.E., I.S.O., J.P.

THE HONOURABLE KINGSLEY SIT HO-YIN

THE HONOURABLE MRS. SO CHAU YIM-PING, J.P.

THE HONOURABLE JAMES TIEN PEI-CHUN, J.P.

THE HONOURABLE MRS. ELSIE TU, C.B.E.

THE HONOURABLE PETER WONG HONG-YUEN, J.P.

THE HONOURABLE YEUNG KAI-YIN, J.P.
SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE MRS. ANSON CHAN, J.P.
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE PETER TSAO KWANG-YUNG, C.B.E., C.P.M., J.P.
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE MRS. ELIZABETH WONG CHIEN CHI-LIEN, I.S.O., J.P.
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE ALISTAIR PETER ASPREY, O.B.E., A.E., J.P.
SECRETARY FOR SECURITY

ABSENT

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

THE HONOURABLE RONALD JOSEPH ARCULLI, 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

Subsidiary Legislation

L.N. No.

Public Revenue Protection Ordinance Public Revenue Protection (Dutiable Commodities) Order 1990.....	65/90
Public Revenue Protection Ordinance (Motor Vehicles) (First Registration Tax) Order 1990..... 66/90	Public Revenue Protection
Public Revenue Protection Ordinance (Road Traffic) Order 1990.....	67/90
Public Revenue Protection Ordinance (Companies) Order 1990.....	68/90
Public Revenue Protection Ordinance (Banking) Order 1990.....	69/90
Public Revenue Protection Ordinance	Public Revenue Protection

(Business Registration)

Order

1990..... 70/90

Public Revenue Protection Ordinance

Public Revenue Protection

(Rating) Order 1990..... 71/90

Road Traffic Ordinance

Road Traffic (Traffic Control) (Amendment)

Regulations

1990..... 72/90

Drug Addicts Treatment and Rehabilitation Ordinance
of Addiction Treatment Centre

Declaration

Order

1990.....
73/90

Public Health and Municipal Services Ordinance
(Regional Council) (Amendment)

Food Business

By-Laws

1990..... 74/90

Public Health and Municipal Services Ordinance
Confections (Regional Council)

Frozen

(Amendment) By-Laws 1990.....

75/90

Public Health and Municipal Services Ordinance

Milk (Regional Council) (Amendment)

By-Laws

1990..... 76/90

Places of Public Entertainment Ordinance

Places of Public Entertainment (Licences)

(Specification of Fees) (Regional Council Area)

(Amendment) Notice 1990.....

77/90

University of Hong Kong Ordinance

Statutes of the University of Hong

Kong

(Amendment) Statutes 1990.....

78/90

Sessional Papers 1989-90

No. 55 -- Council for Recreation and Sport
Report for 1988/89

No. 61 -- Hong Kong Baptist College
Annual Report 1988-1989 with Accounts for the year ended
30th June 1989

Addresses by Members

Council for Recreation and Sport Report for 1988-89

DR. IP: Sir, I am pleased to table the Annual Report of the Council for Recreation and Sport (CRS) for 1988-89. As the CRS has not published an annual report since 1980, an account of the intervening eight years has also been included. With the dissolution of the CRS on 1 November 1989 upon the establishment of the Provisional Sports Development Board, this will therefore be the last report of the CRS.

The eighties saw recreation and sport make an encouraging start in Hong Kong. We witnessed an upsurge of popular interest in recreation and sport, prompted by the pursuit for a better quality of life resulting from economic growth. Hong Kong became a regular participant in international sport and achieved some notable successes in major events.

Such accomplishments owe much to the dedication of athletes and sports administrators and coaches. However credit should also go to the chairman and members of the CRS who laboured untiringly to ensure adequate support for athletes through the council. Although the council often had to start from modest beginnings with various initiatives to promote and develop sport, such groundwork was most valuable in paving the way for further progress.

With the establishment of the new Sports Development Board in April this year, sport in Hong Kong will enter a new phase of development. I would like to use this opportunity to pay tribute to Mr. F.K. HU who has chaired the council for the last four years and those public spirited members who served the council for all these years. I would like also to wish the Sports Development Board every success in its future endeavours.

Hong Kong Baptist College

Annual Report 1988-89 with Accounts for the year ended 30 June 1989

MR. LAU WAH-SUM: Sir, the Annual Report of the Hong Kong Baptist College for the year ended 30 June 1989 together with the Auditors' Report for the same period are tabled before this Council today. As Chairman of the College Council, I am pleased to have the honour of presenting the reports to you and to highlight a number of the College's significant achievements in the year.

The year 1988-89 was a historical one for the College. Firstly, with the successful accreditation of three new degree courses and three new options within existing degree courses, the College completed within the year the task of upgrading all honours diploma courses to the honours degree level. The three new degree courses accredited during the year were China Studies, Computing Studies, and Music. With these achievements the College has become a 100-per cent degree-granting institution and all students admitted, since September 1989, are enrolled in degree or higher degree programmes -- a total of nine degree courses with a choice of 29 options.

Secondly, the College admitted its first group of research students into a Master of Philosophy programme in the Science Faculty. Hand in hand with this postgraduate programme, extra efforts were made to support the rapidly expanding programme of research work, by doubling the funding for direct allocation to projects as research grants and also significantly increasing the funding for strengthening the infrastructure for research, such as in library journals and computing studies. As a result, the level of research activities, as well as the qualitative and quantitative aspects of the output, have continued to improve.

Thirdly, for the first time in its history, the College awarded its own bachelor's degree to 203 graduates from the Science Faculty and Social Work Department during

the year.

Fourthly, on the physical development aspect, the year saw the completion of all the new buildings on the Waterloo Road campus under the five-year master plan for campus redevelopment. The coming into use of these new accommodations with quality matching the accepted standards for higher education institutions has brought much improvement in the provisions for teaching, research, academic support, and administrative services.

In response to the Government's announced plans for the accelerated expansion of the tertiary education sector during the 1991-94 period, the College has already submitted to the University and Polytechnic Grants Committee its plans for contributing to the achievement of the Government's target for first degree places, by expanding on an available neighbouring site at Renfrew Road.

With the rapid progress made during the past few years, particularly its becoming 100-per cent degree-awarding, the College as of now is already beginning to function like a university in style, in academic content, in the student profile, in the quality of its teaching and research work, in the calibre of its staff, and with all its courses properly accredited at British university standards. The College Council has therefore agreed that the time has come for proper actions to be initiated with the view to changing the College's status and title to those of a university. We believe that this goal is in the interest of fulfilling the mission of educating the youth of Hong Kong for a better and brighter future of our community, and hope that it can be achieved soon.

Oral answers to questions

Legal aid

1. MR. TAM asked (in Cantonese): Will Government inform this Council of the number of applications for legal aid which have been rejected on means ground in the past three years, and whether, in its review of the legal aid system, Government will consider raising the means limits for legal aid and exempting certain categories of applicants from means test, such as workers who have to respond to appeals against the decisions of the Labour Tribunal?

CHIEF SECRETARY: Sir, the numbers of applications for legal aid rejected on the grounds of financial means, in each of the last three years, were as follows:

2 557 in 1987, 3 250 in 1988, and 3 044 in 1989.

To put these figures in perspective, there were more than 15 000 applications for legal aid in each of these years. In other words, about 20% of applications have been rejected for this reason.

The Government is now considering raising the means limits for legal aid and a decision will be announced soon.

The Honourable Member has suggested that Government should consider exempting certain categories of applicant from the means test. However, it would be invidious to create a special class of applicant. If the system is to be fair, then means testing should apply equally to all.

Inevitably, in cases such as those mentioned, where a group of workers apply for legal aid in order to respond to an appeal against a decision of the Labour Tribunal, some will satisfy the means test and others will not. In such circumstances, those who are not eligible for legal aid will nevertheless benefit from a court decision in favour of those who were provided with assistance.

MR. TAM (in Cantonese): Schedule 1 of the Legal Aid (Assessment of Resources and Contributions) Regulations provides that in the calculation of income from any source, the Director of Legal Aid, having regard to the nature of such income or to any other circumstances of the case, has discretion to disregard such income if he thinks appropriate. What are the factors the Director will take into account in deciding whether it is appropriate to do so?

CHIEF SECRETARY: Sir, Mr. TAM is right in that the Director of Legal Aid does have discretion to disregard all or part of an applicant's income whenever it is appropriate to do so. He does so at his own discretion if, in his view, it is necessary to prevent a miscarriage of justice.

MR. TAM (in Cantonese): In paragraph 4 of his reply, the Chief Secretary stated that some workers who are not provided with legal aid may benefit from a court decision. Are these individual cases only, or is that a statutory or normal practice?

CHIEF SECRETARY: Sir, I was making a general comment that if some applicants benefit from a decision, then clearly there are implications for the other applicants and they will benefit from those.

MR. CHOW: Sir, is there any case where those who are not eligible for legal aid could benefit from a court decision in favour of those who were provided with legal aid? And would the Administration consider the necessity of offering group legal aid?

CHIEF SECRETARY: Sir, as I have made the point in my first answer, there are certainly cases where those who have not been successful in obtaining legal aid do benefit from similar cases. I think as far as groups are concerned, the means test should be applied to individuals and not particular groups of people, Sir.

MR. TAM (in Cantonese): Applications for legal aid are at present considered on individual merit. Would the Administration agree that certain cases of similar nature should be considered as a group case?

CHIEF SECRETARY: Sir, the Ordinance provides that cases must be considered on their individual merit, and each of the applicants must be considered on his merit. That is the position under the law.

MR. MCGREGOR: Sir, would the Chief Secretary advise whether, in cases where legal aid has been obtained and a damages award has been made in favour of the aided party, the Government will then seek to recover costs of legal aid from that party? I am thinking, particularly, of the case of Superintendent Khan where most of his award was recovered as costs by the Government.

CHIEF SECRETARY: Sir, I would need to have notice of that question. I will provide

Mr. McGREGOR with the answer in writing. (Annex I)

Squatter rehousing policy

2. MISS LEUNG asked (in Cantonese): Under the present housing policy, squatters who are the subjects of clearances or victims of natural disasters are rehoused in heavily subsidized public rental housing without being income tested provided they fulfil other eligibility criteria. In a recent squatter survey conducted by the Housing Department, as many as 67% of the squatter households were found to have income levels exceeding the Waiting List income limits, revealing that financially the majority of them should not be eligible for public rental housing. Will Government consider revising the present squatter rehousing policy?

SECRETARY FOR HOME AFFAIRS: Sir, it is Government's long-established policy to offer rehousing to squatters who are rendered homeless as a result of natural disasters or Government's clearance operations to make way for development projects. Income level is not a consideration.

The success of the policy is demonstrated by the fact that the squatter population in the territory has decreased from 473 000 persons in 1984-85 to 292 000 persons today. We are in fact in sight of clearing all urban squatter areas by the mid-1990s. There is no intention at this stage to change the policy.

MISS LEUNG (in Cantonese): Sir, contrary to what was asserted in the Secretary's reply, we should not take figures as the sole criterion for assessing whether a policy is successful or not. Since the vast majority of public rental housing units in urban and extended urban areas are allocated to those affected by redevelopment of public housing estates or clearance of squatter areas, the applicants who are on the Waiting List and subject to the means test will most probably have to wait for 10 years if they are to apply for public rental housing in urban or extended urban areas. Does the Government not think that such a housing policy will only create difficulties for those law-abiding applicants on the Waiting List while giving convenience to those squatters who are illegally occupying government land; and does the Secretary not agree that the current policy of rehousing squatters is only based on administrative convenience without regard to the principle of social justice?

HIS EXCELLENCY THE PRESIDENT: Will you please keep your question brief, Miss LEUNG?

MISS LEUNG (in Cantonese): Does the Secretary not agree that the practice of granting indiscriminately large amounts of housing subsidy to squatters without considering their income is a blatant waste of public money?

HIS EXCELLENCY THE PRESIDENT: Could I remind Members again of two rules for questions? One is that a question should be a question, and the other, not a rule but for the benefit of those answering, is that it should be short; otherwise it taxes the memory of those trying to answer.

SECRETARY FOR HOME AFFAIRS: Sir, I thought my main answer was shorter than the main question already.

Sir, I think the point to make here is that the policy is based on not making people homeless. I think in a less benevolent society, one might think in terms of kicking people out of squatter areas and leaving them in the street to fend for themselves. The means test sets limits which are fairly low. As an example, for a household with three persons, on 1 April this year the limit will be \$5,800 a month. In other words, a family of three persons with, say, an income of \$6,000 would not be eligible for rehousing. That is not the way to get rid of the squatters. The way to get rid of them is to induce them to move to public housing, to give up their accommodation in the squatter area and not to squat elsewhere after clearance.

MR. ANDREW WONG (in Cantonese): Sir, as far as I know, Hong Kong had 250 000 squatters in 1953, and after years of making efforts to implement the policy, the figure, instead of decreasing, has now on the contrary reached 292 000. So how can we say that this policy is successful? I believe that the figure of 1953 is more or less accurate, because I vaguely remember getting it from the 1954-55 annual report of the then Resettlement Department. Could I be given a written reply on the squatter population figures from 1953 up to now?

HIS EXCELLENCY THE PRESIDENT: Mr. WONG, I will have to remind you too, please, that you should ask short questions, not statements. And I am afraid at the end of that, I did not catch the question. Could you produce the question?

MR. ANDREW WONG: I will put down the second part of my question for a written reply. Could I be given squatter population figures from 1953 up to now?

SECRETARY FOR HOME AFFAIRS: Sir, in answer to the first point, I think it has to be borne in mind that the figure quoted by Mr. WONG went up to 473 000 in 1984-85. It is from that figure that we have to work downwards and it is now 292 000. We expect the entire squatter population in the urban area to be cleared in the mid-1990s. So the record, I think, speaks for itself. As Mr. WONG wishes to have the figures, I shall certainly supply them in writing, Sir. (Annex II)

MRS. TU: Sir, is the Secretary for Home Affairs aware that some members of the public buy or rent squatter huts when they fail, because of income limits, to get on the waiting list for public housing? And would it not be more fair to those who are paying high rent in tenement buildings and are waiting on the waiting list to raise the income limits so that all of them will have a chance to get housing, and those in squatter huts will get no privilege?

SECRETARY FOR HOME AFFAIRS: Sir, the clearance operation is carried out in stages and in each stage there is a survey beforehand. The survey of occupancy in 1984-85 was the base for the clearance, and those who were surveyed must have been in a squatter hut since 1982. So there is a period during which they are actually checked as to their occupancy. Sir, as I said in my main reply, the policy is based on not rendering people homeless. It is a question of replacement housing, not a question of income; income does not come into it.

MRS. FONG: Sir, to have a fair housing policy the authority concerned must be able to maintain the squatter population. Can the Administration explain what efforts are being made in squatter surveys to avoid an increase in squatter population in the meantime?

SECRETARY FOR HOME AFFAIRS: Sir, there is a Squatter Clearing Team in the Housing Department and new squatters are in fact cleared and removed. There is no policy to maintain squatters; there is only a policy to clear them.

MISS LEUNG (in Cantonese): Sir, when considering the resettlement of squatters, will Government base its approach on the premises of fairness and proper use of social resources and implement the means test so that those who exceed the income limit will not be rehoused in public rental housing despite the Secretary's reiteration of not rendering people homeless, or in case of rehousing them in public rental housing charge them a higher rent, or treat them in the way now applicable to squatters who lose their homes in fire, that is, rehouse them in public rental housing outside the urban or extended urban areas, so as to enable the applicants on the Waiting List to have a greater chance of getting public rental housing in the urban area?

HIS EXCELLENCY THE PRESIDENT: Miss LEUNG, I am sorry to have to remind you again. But can I make this point once more? Supplementary questions are an opportunity to ask a question and not to make a statement, please.

SECRETARY FOR HOME AFFAIRS: Sir, I have to say again that the policy is based on not rendering people homeless. If we were to adopt any other policy, the likely result would be as follows. The squatters being cleared would first of all move elsewhere to squat, illegally. There will be claims for compensation followed by protracted negotiations, and when all these fail there will be confrontation. I believe, Sir, that the public does support the current policy aimed at quickly and effectively removing squatters from their squatting sites. I do not think any other policy could be introduced at this stage. However, the Housing Authority is of course open to suggestions and, as I have said, they will certainly consider any suggestions made to them.

MR. TAI: Sir, would the Secretary advise this Council whether, in cases where clearance is necessitated by public works, the housing policy will be effectively applied in respect of replacement housing in regions where the land supply situation is not so tight?

SECRETARY FOR HOME AFFAIRS: Sir, the replacement policy is very flexibly applied. Indeed, people who are rendered homeless in this way are given all sorts of priorities.

Sanctions against South Africa

3. MR. PETER WONG asked: Is the Administration aware of the allegations contained in an United Nations report that Hong Kong is being used as an area to circumvent international trading sanctions against South Africa and what action does the Administration propose; and in the light of recent announcement by the United Kingdom Government of lifting its sanctions against South Africa, will the Hong Kong Administration retain the existing sanctions?

FINANCIAL SECRETARY: Sir, the Government introduced certain economic sanctions against South Africa in 1986. These include a statutory ban on the import of gold coins and iron and steel from South Africa, and a voluntary ban on new investment and bank loans and promotion of tourism to the country.

We are aware that allegations have been made that Hong Kong is being used as an area to circumvent international trading sanctions against South Africa. It has been alleged that a Hong Kong company has imported coal from South Africa, and re-exported it to other countries, and that another Hong Kong company has been shipping oil to South Africa.

On the first allegation, Hong Kong has not imposed any ban on the import of coal from South Africa. Furthermore, according to available statistics, there has been no re-export of coal of South African origin from Hong Kong since 1986. As regards oil, Hong Kong has no oil production, and so there is no domestic export trade in oil. We are also not aware of any re-exports of oil to South Africa.

To date the Hong Kong Government has not taken any action to lift the existing sanctions. We shall keep the situation under review.

MR. PETER WONG: Sir, the Commonwealth Heads of Government Review Meeting in London in August 1986 specifically recommended the banning of the import of coal as well as iron and steel. Why was coal not included as part of the sanction items for Hong

Kong?

FINANCIAL SECRETARY: Sir, free trade has always been our policy. Now, we would not normally favour trade restrictions except when they are clearly necessary and in line with international practice. The economic sanctions that we have taken are within our trade autonomy and any other sanctions would be a matter of foreign policy which would be a matter for the United Kingdom Government.

MR. MCGREGOR: Sir, will the Government confirm that it will consider the question of sanctions against South Africa from the point of view of Hong Kong's interests and not simply follow United Kingdom instructions or United Kingdom interests?

FINANCIAL SECRETARY: Yes, Sir.

MR. PETER WONG: Sir, is the Secretary absolutely satisfied that none of the coal imported was actually used in Hong Kong?

FINANCIAL SECRETARY: No, Sir, I did not in fact say that in my original answer. I said that coal was not covered by our sanction order. Coal may have been imported from South Africa and it may have been used in Hong Kong.

Eastern Harbour Crossing

4. MR. HUI asked: As the daily average usage rate of the Eastern Harbour Crossing has fallen much short of the original estimated rate, will Government inform this Council:

- (a) whether the low usage rate is due to the higher tolls charged on certain types of vehicles as compared with those charged by the other cross-harbour tunnel; and
- (b) if so, whether Government will consider proposing to the company concerned to vary the tolls so as to encourage more drivers to use that tunnel?

SECRETARY FOR TRANSPORT: Sir, an average of 28 000 vehicles used the Eastern Harbour Crossing each day during the last week of February. This is a 47% increase in traffic volume since it first opened in September 1989. This figure is not too far removed from the Company's original estimate of about 33 000 vehicles using the tunnel daily in 1990. It is premature at this stage to draw any conclusions on the traffic figures, particularly as the tunnel has been open for just over five months and the traffic pattern has yet to be clearly established.

As regards tolls, motorcycles, public and private light buses, buses and heavy goods vehicles are charged more at the Eastern Harbour Crossing. However, these constitute less than 13% of the total number of vehicles passing through both tunnels during the past five months. The bulk of such traffic is made up of private cars, taxis, light and medium goods vehicles. The tolls they pay at the Eastern Harbour Crossing are the same as, or in some cases lower than, those payable at the Cross Harbour Tunnel. There is therefore no conclusive evidence that the utilization rate of this Crossing is directly attributable to the levels of tolls charged.

MR. HUI: Sir, since the entrances of the Eastern Harbour Crossing are adjacent to industrial areas and since the tolls of this tunnel for heavy goods vehicles are higher than those of the Cross Harbour Tunnel, could the Administration consider proposing to the former company to lower the tolls for heavy goods vehicles to the same level as those charged by the latter company, so as to encourage more usage of the newer tunnel by such vehicles?

SECRETARY FOR TRANSPORT: Sir, this, of course, would be entirely a commercial decision by the company concerned. But in terms of overall usage of this tunnel, the latest figures indicate that 63% of the tunnel traffic is made up of private cars, 33% of light and medium goods vehicles and only 1.15% of heavy goods vehicles. So even if tolls were varied by the company concerned, it would not make a significant impact on the total volume of traffic using this tunnel at this point in time. But I will pass on this request to the company for their consideration.

MR. MICHAEL CHENG (in Cantonese): In view of the fact that many motorists would

rather put up with congestion at the Cross Harbour Tunnel than risk losing their way among unfamiliar roads leading to and out of the Eastern Harbour Crossing, will Government inform this Council whether it will expand its promotion effort to instruct and guide more motorists to use the Eastern Harbour Crossing so as to raise the usage rate?

SECRETARY FOR TRANSPORT (in Cantonese): Records of the company revealed that it spent \$2 million over the last three months to promote the Eastern Harbour Crossing by printing maps for use by motorists and by launching a publicity campaign in the electronic and print media. Judging from this, there has been a marked rise in the number of vehicles using the crossing over the last three months. Last week, for example, saw a daily average of 29 000 vehicles using the crossing, with one particular day seeing a record high of 34 640 vehicles. The promotion exercise can, therefore, be viewed as having achieved its desired result of gradually attracting more motorists to this new tunnel.

MRS. LAM (in Cantonese): Will Government consider providing more incentives to encourage more motorists to use the Eastern Harbour Crossing, such as one free ticket for every 10 Eastern Harbour Crossing tickets purchased?

SECRETARY FOR TRANSPORT (in Cantonese): I am aware that the company has given consideration to this and some inducement or concession may be introduced.

MISS TAM: Sir, will the Secretary for Transport inform this Council whether the comparative low rate of usage of the Eastern Harbour Crossing (EHC) could still be attributable to inadequate use of road signs and/or traffic congestion leading to the tunnel area? If yes, can Government do something further to improve the situation?

SECRETARY FOR TRANSPORT: Yes, Sir, on the first point, the department concerned has put up about 100 extra signs since the EHC first opened to help direct drivers to the right tunnel. These have helped improve traffic, as I mentioned, over the last few months.

On the second point of what more Government could do to help, provision of improved access to the tunnel will be the answer. We will be starting work very soon on the widening of the westbound carriageway of Victoria Park Road near the Excelsior Hotel from three to four lanes. This is going to ease some of the traffic from the EHC. In the longer term, we are going to start building the Causeway Bay Fly-over some time this year, with a view to providing a better access between the EHC and Causeway Bay, which we hope to achieve in two years' time.

MRS. CHOW: Sir, may I put it to the Secretary that it should not be entirely up to the company concerned to encourage more usage of the new tunnel? Would the Secretary not agree that the failure to reach the target figure of 33 000 is disappointing and is therefore contrary to public interest, especially that of road-users? And therefore, would Government not have a duty to ensure that the problem must be tackled with urgent and effective action such as the employment of the long proven tool used by private businesses called "discount" as an incentive to boost the usage rate?

SECRETARY FOR TRANSPORT: Sir, as I mentioned earlier, the company is now considering further incentives for drivers to use this tunnel. But this, of course, would be entirely a commercial decision which Government would not interfere with. As regards help in improving traffic overall, the Government of course has a policy to regulate traffic between tunnels by means of tolls. But as I said in my main reply, the figures for the first five months are not conclusive enough for Government to take a decision on whether to regulate the tolls. But we have to bear this in mind in the next few months.

MRS. FONG: I understand that the Government levy tax on the tolls charged by one tunnel but not the other. Could the Administration explain the basis for doing this and confirm whether there is a requirement for the two tunnels to co-ordinate the level of tolls charged?

SECRETARY FOR TRANSPORT: Sir, the Passage Tax on the Cross Harbour Tunnel has been levied on traffic grounds. In terms of effect, such a tax has reduced the level of traffic but there is still congestion at the Cross Harbour Tunnel. So there is no case for removing that particular taxation at this point in time. As regards the

usage of the EHC, as I have said in my earlier replies, the company concerned is making all efforts to improve utilization and the Government would wish to see how these efforts are going to produce results before we can take a decision overall as to whether on transport grounds there is a case for Government to intervene.

MR. BARROW: Sir, could the Secretary inform this Council of the comparative statistics for the existing tunnel both before and after the opening of the new tunnel? In other words, to what extent are we seeing an increase in the total traffic as opposed to a switch from one tunnel to the other tunnel?

SECRETARY FOR TRANSPORT: Sir, there was a slight decrease in goods vehicle traffic in the Cross Harbour Tunnel after the EHC opened but this is offset to some extent by a slight increase in private cars. This is understandable because when a new facility opens there is always suppressed demand released and the EHC has proved no exception. As regards overall usage, the Cross Harbour Tunnel averages about 118 000 vehicles per day, and this is not much different from the position before the EHC opened.

MR. MICHAEL CHENG (in Cantonese): As a result of the recent drastic increase in fuel prices, motorists who have been using the Eastern Harbour Crossing in order to avoid traffic congestion at the Cross Harbour Tunnel have to give up using the Eastern Harbour Crossing so as to cut back on fuel costs. Could Government inform this Council whether it will propose to the company concerned to introduce incentives to encourage more motorists to use the Eastern Harbour Crossing?

SECRETARY FOR TRANSPORT (in Cantonese): I mentioned a moment ago that the company concerned would consider offering inducements or concessions to attract more motorists to use the new tunnel. As to the question of fuel price hikes which, of course, was not my decision, it is also difficult to assess the impact at this early stage. I think we should watch closely how the said tunnel will be doing in terms of traffic throughput before deciding on the next step.

Professional and management training

5. MR. EDWARD HO asked: In view of the continuing loss of mature, skilled and experienced professionals and managers in the public and private sectors resulting from the brain drain, will Government inform this Council what is being done to identify the need for professional and management training and to develop a co-ordinated programme to train talented young people to meet our future requirements to enable Hong Kong to continue to prosper ?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, as I said last November in the debate on your Address to this Council, I have appointed an inter-departmental Manpower Committee to assess Hong Kong's medium-term manpower requirements.

So far the Committee has assessed the size of existing stocks of trained manpower by reference to various industries, professions and occupational levels. Having regard to employment and demographic trends, the Committee went on to estimate how many and what types of people each industrial sector might employ by the mid 1990s. The demand side of the equation thus established, the Committee then asked itself what the supply side would look like. This is largely made up of immigrants, returning emigrants and students, and the output of our educational and vocational training institutions, in addition to the available stock as affected by natural wastage and emigration. The Committee was ultimately trying to ascertain whether there is likely to be any mis-match at various educational levels between the demand and supply sides of the equation.

The Committee has only recently delivered to me its main findings. These are now being carefully studied by the Education and Manpower Branch. It is too early to go into details at the present time. Suffice it to say that no serious mis-match has been identified, and that the findings confirm the likelihood of continuous growth in employment amongst highly educated and trained people. It seems likely that people with technical and professional qualifications, and people with appropriate training for managerial positions, will both be in strong demand for some considerable time. When these findings have been properly digested in terms of their implications for specific educational programmes, they will be put to the University and Polytechnic Grants Committee (UPGC) and the Vocational Training Council (VTC).

The second part of question asks whether it is necessary to develop a co-ordinated training programme. The short answer is that the Government has already anticipated

the need for this. In respect of education, we plan to double the current provision of first-year, first-degree places over the next six years. We also plan to upgrade the level of our existing vocational training activities, working mainly through the VTC. Hence the transfer of higher diploma work from the polytechnics to the VTC, the creation in the VTC of such advanced industrial training facilities as the Design Centre for Applications Specific Integrated Circuits (for which provision has been sought in the 1990-91 draft Estimates of Expenditure), and the intention to establish a training fund to encourage employers to give managers the opportunity to learn useful new technologies.

The expansion of degree places and the upgrading of our vocational training services are being co-ordinated and monitored by a steering group under my chairmanship. I am happy to report that we are making good progress.

MR. EDWARD HO: Sir, as Government's programme for meeting the strong demand for managerial positions is a long-term one and deals mainly with junior management positions, will Government inform this Council what proposals there are to provide resources for training of mid-career executives for rapid promotion to senior management positions to fill that particular void in the short and medium term?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, in the short and medium term there are various options open to the private sector which is suffering from a loss of experience as a result of emigration. The Hong Kong Management Association, the polytechnics and other tertiary education institutions would welcome opportunities to work with the private sector in shaping up any specific training programmes that individual corporations and businesses may want. I am confident that they can do it well.

MR. PETER WONG: Sir, will the Secretary please confirm that the Open Learning Institute (OLI) will be included in the programme to provide trained professionals for our future?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, that is a decision that the Open Learning Institute Council itself must take. But I would have thought, at this stage of its development, the OLI is not in a position to provide the sort of fast-track training

that the private sector now wants.

MRS. CHOW: Sir, with reference to paragraph 3 of the Secretary's reply, could this Council be informed how long the digestive process is likely to take, when the findings will be incorporated into specific educational programmes, and when they will be put to the UPGC and the VTC?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, I am pleased to report that the digestive process has already begun. I expect that process to be completed within a month or so because the UPGC will be meeting in April and they will need to have these findings by then.

MR. BARROW: Regarding the last paragraph of the main reply, will the Secretary inform this Council whether the steering group contains members from the private sector, and if not, will he consider inviting some representatives to join it?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, the chairman of the VTC and the chairman of UPGC are both members of the private sector. To this extent the steering group includes representatives of the private sector.

MR. NGAI (in Cantonese): Sir, the Secretary just said that the Government would work closely with the private sector in the training of skilled personnel to meet the demand of society. Has the Government formulated any concrete plan of co-ordination to encourage the private sector to participate in such training programme? If yes, what are the details of the plan?

SECRETARY FOR EDUCATION AND MANPOWER: The short answer to the question, Sir, is yes. But I will have to provide a two-part answer to it. First, the tertiary education institutions themselves are reaching out at the moment to the private sector in the packaging of training courses that various industries need. I am myself aware of a recent example where the Hong Kong Polytechnic established a Business and Technology Centre which meets the needs of various industries for short-term and medium-term

training courses. I would urge Members to have a good look at this type of training centre.

The second initiative is the one that you, Sir, announced in your address to this Council last October. This involved a proposal to establish a training fund to encourage the private sector in sending their managers forward for training in useful new technology. To this extent, the Government has initiated new programmes of activities designed to stimulate private sector interest in training.

MR. EDWARD HO: Sir, will the Secretary inform this Council of the progress of establishing a Business School in the University of Hong Kong and whether HKU, or any other tertiary institution which might also be thinking of setting up a similar school, intends to establish it as an internationally recognized business school?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, I am afraid I do not have the answer to that question but I shall enquire of the Secretary, UPGC, and provide an answer in writing. (Annex III)

MR. TIEN: Sir, training of manpower nowadays cannot be accomplished by outdated techniques or outdated equipment. Will the Administration inform this Council whether there will be new capital funding to the VTC so that their equipment could be updated?

SECRETARY FOR EDUCATION AND MANPOWER: The short answer to that question, Sir, is yes. As I mentioned in my main answer, the creation of such advanced industrial training facilities as the Design Centre for Applications Specific Integrated Circuits is a good example of the sort of upgrading that Mr. TIEN was talking about. And incidentally, Sir, I would urge institutions and organizations like the Productivity Council to share with our training institutions the use of their very modern facilities and laboratories. There is clearly scope for co-operation here.

Electric vehicles

6. PROF. POON asked: In view of the need to protect our environment, will Government

inform this Council of the feasibility of promoting the use of electrical vehicles in Hong Kong?

SECRETARY FOR TRANSPORT: Sir, the Road Traffic Ordinance and subsidiary legislation already provide for the registration and licensing of electric vehicles in Hong Kong. So far, only 34 such vehicles have been registered and 31 licensed. These are used mainly for special purposes, such as fork lift trucks and industrial tractors.

While the use of these vehicles would result in environmental benefits, there are practical limitations to their wider use in Hong Kong. The limiting factors include their high capital cost, the need for frequent re-charging of the batteries thus requiring an extensive network of re-charging facilities, and Hong Kong's traffic and topographical limitations.

At this stage of their development, electric vehicles are not commercially viable for general use. For the longer term, much will depend on the ability of vehicle manufacturers to develop high capacity, technologically efficient and commercially viable electric vehicles as attractive alternatives to vehicles powered by conventional fuels.

PROF. POON: Sir, will the Secretary inform this Council of the average capital cost for a standard electrical van and the cost of running and maintaining this vehicle? How would the Secretary assess this cost while taking into account the overall cost-saving in the protection of our environment?

SECRETARY FOR TRANSPORT: Sir, I think, perhaps, conceptually Prof. POON has a case in that the environmental benefits in terms of cost might in the end outweigh the extra capital cost for such vehicles. That, of course, would mean subsidizing such vehicles for environmental reasons, and not transport reasons. As far as vehicles are concerned, I have yet to obtain information from other countries on a standard cost calculation. I would have to find this out first before I could reply. In general I would say that it would be extremely difficult at this stage to use these vehicles on a wider basis if their capital cost is so high. Another point would be the difficulty of accommodating more people in electrically-driven vehicles which, as part of their design, have batteries taking up a huge proportion of space.

MR. PETER WONG: Sir, as our trams are essentially electric vehicles, should we not be promoting more trams, or even trolley buses in Hong Kong?

SECRETARY FOR TRANSPORT: Sir, I think the trams are restricted by the existing tracks and by the topography on the north shore of the Island. The survival of trams is a miracle and indeed I think we should continue to let them roll on their own merits. As regards trolley buses, there are enormous implications as far as land space is concerned which would require a lot of changes to our existing road structure and to buildings because of extensive alterations such as wiring, overhead wires and so on. These are problems we would have to consider in the longer term.

PROF. POON: Sir, some heavily polluted cities like Los Angeles are actually promoting a greater use of electrical vehicles. Technology is improving. Will the Secretary inform this Council whether he considers it worthwhile, as a long-term objective, to study the feasibility of promoting the use of electrical vehicles in Hong Kong?

SECRETARY FOR TRANSPORT: Sir, I would of course be very happy to encourage a study of the future use of electric vehicles -- the study perhaps to be jointly undertaken with the Secretary for Planning, Environment and Lands -- to pursue this worthwhile proposal in the public interest and to see whether there is a case to introduce electric vehicles in Hong Kong at some future stage on both transport and environmental grounds.

Forged or illegally obtained travel documents

7. MRS. TAM asked: In view of the recent reports that Hong Kong people have emigrated to other countries by using unauthentic travel documents, will Government inform this Council:

(a) whether it has conducted an investigation into these incidents and the result of such investigation;

(b) if there is any indication that such cases are on the increase; and

(c) what measures the Government will take to protect the public from financial loss through purchasing such travel documents?

SECRETARY FOR SECURITY: Sir, there is no indication of any recent increase in the number of Hong Kong people using forged or illegally obtained travel documents. Forty-six such cases were discovered during passenger examinations at control points in 1989, as compared with 84 cases in 1988.

All such cases are thoroughly investigated with a view to prosecution, as are all related reports of syndicates engaged in the forgery of travel documents, or of the payment of bribes to obtain or expedite the issue of travel documents.

All the information which we have on such cases suggests that those who purchase forged travel documents, or travel documents to which they are not entitled, are fully aware that they are acting improperly. In these circumstances, there is no question of the Government protecting people who suffer any financial loss through purchasing such documents.

MRS. TAM: Sir, can the Secretary for Security inform this Council how many of the 46 cases investigated in 1989 had led to prosecution, and how many of them involved payment of bribes?

SECRETARY FOR SECURITY: Sir, I believe that all these cases were prosecuted. I do not have details of precisely what was involved in each case, but I do not believe that any of them involved bribery.

MR. POON CHI-FAI (in Cantonese): Sir, would the Government inform this Council whether, in terms of modus operandi and amount of money involved, the 46 cases discovered in 1989 were of a more serious nature than those discovered in 1988 or before although it is mentioned in paragraph 1 of the reply that there is no indication of any increase in the number of such cases? Given that there is no increase in figure terms, would the Government not strengthen its measures so as to prevent more people from being cheated?

SECRETARY FOR SECURITY: Sir, I believe that the figures for 1988 and 1989 are comparable. They were similar cases. I would say, however, that there was in December last year a joint police and Immigration Department operation which closed down a major forgery syndicate and led to the arrest of 26 people and the seizure of a very large number of passports. That case is still under investigation with a view to prosecution.

MRS. FONG: We are aware that consular staff enjoy a good measure of diplomatic immunities and privileges. Can the Administration explain to this Council whether consular officials who are in breach of our laws are liable to prosecution the way ordinary people are liable?

SECRETARY FOR SECURITY: Sir, I am aware that there is at least one case where consular officials are under investigation with a view to prosecution. I am afraid I do not have a reply to the question on the precise nature of consular privileges in Hong Kong. I would have to consider that and give a written reply. (Annex IV)

MRS. TAM: Sir, can the Secretary for Security inform this Council whether there are any Hong Kong residents at present being detained in other countries in connection with using unauthentic travel documents? If the answer is yes, will Government offer any help to these people?

SECRETARY FOR SECURITY: Sir, I am aware that there have been recent reports that Hong Kong people have been jailed after being found to have been staying illegally in Venezuela. And there was a similar report earlier of Hong Kong people in Panama. We have checked both those reports with the British embassies in those countries and, as far as we know, there are no Hong Kong people involved.

MRS. LAM (in Cantonese): Sir, could the Government inform this Council of the countries involved in the 46 cases?

SECRETARY FOR SECURITY: Sir, I am afraid I do not have details of which countries' travel documents were being forged in these 46 cases. I will try and provide Mrs.

LAM with that. (Annex V)

Staff morale of the Legal Department

8. MRS. CHOW asked: Can Government inform this Council what it has done to ensure that staff morale of the Legal Department has not been adversely affected by recent events, and that the credibility and integrity of the Department have not been compromised during the time when Mr. C.W. REID was serving as a senior member of its staff and being investigated by the Independent Commission Against Corruption (ICAC), and what steps are being taken to facilitate his return to Hong Kong?

ATTORNEY GENERAL: Sir, the Legal Department has been both saddened and angered by the revelations concerning Mr. REID. No organization responds happily to the collective embarrassment occasioned by suspicion falling on an individual member. This is more so when that organization depends on public trust in its integrity. Sir, my staff, and I myself, are acutely aware of the damage done to this trust by the allegations against Mr. REID, but their pride in their work and their commitment to the public service are undiminished.

I welcome the opportunity to answer Mrs. CHOW's question because it allows me to clarify the steps taken to protect the integrity of the Legal Department.

However before I proceed further I should like to remind Members of the fundamental principles that a person is innocent until proved guilty and that the only proper place for determining guilt or innocence of a crime is a court.

Although Mr. REID has not been charged with any offence, the fact is that warrants have been issued for his arrest following his disappearance when under investigation by the ICAC for possible offences under the Prevention of Bribery Ordinance. The disappearance in these circumstances of a senior officer of the Legal Department is a very serious matter.

Mr. REID, who was appointed Crown Counsel in 1975, was one of three Deputy Directors of Public Prosecutions and Head of the Commercial Crime Unit, having been appointed to that post in 1983.

The allegation against him is essentially that over a number of years he received payments from a barrister and a solicitor in exchange for favourable treatment of their clients. Members will appreciate that, with the possibility of criminal proceedings ensuing, it would be improper for me to go further into details of the allegation or matters that may be issues in any trial.

On Friday, 27 October 1989, Mr. REID was arrested, questioned by ICAC officers and released on condition that he report to the ICAC on 1 December 1989. The following Monday (30 October) he was suspended from duty by the Secretary for the Civil Service. He was ordered by the Court to surrender his travel documents. He was also required by the ICAC to provide information relating to his assets. He failed to do so and he could not be found. On 29 December last year the ICAC obtained a warrant for his arrest. He was dismissed from the service with effect from 22 January of this year.

A number of steps have been taken to secure the integrity of the Department.

Firstly, when Mr. REID was arrested I decided that the ICAC should receive legal advice from lawyers in the private sector. This is consistent with the invariable practice that whenever a member of the Department is the subject of an allegation of criminal conduct, independent legal advice is sought from the private sector so as to ensure impartiality and, equally importantly, so as to be seen to be impartial.

Secondly, maximum co-operation has been, and will continue to be, given to the ICAC to ensure that this very serious allegation is thoroughly investigated.

Thirdly, the ICAC's investigations include the examination of several cases which Mr. REID handled over a number of years. It is too early yet to say whether any impropriety occurred in the way in which these cases were disposed of, but Members may be assured that each and every one of them is being most vigorously and independently investigated.

Fourthly, in parallel with the examination of these cases by ICAC and having regard to the seriousness of the allegation against Mr. REID, I gave instructions that the several cases handled by the Commercial Crime Unit that are not currently under ICAC investigation but in which defendants were represented by the barrister and the solicitor to whom I have referred in paragraph 6 should be examined by barristers outside the Legal Department.

And lastly, as I have already described, Mr. REID was suspended from duty.

I should stress that to date no one in the Legal Department, apart from Mr. REID, is the subject of these corruption allegations or investigations.

As to the steps being taken to facilitate Mr. REID's return to Hong Kong, Members will appreciate that since this is a matter for ICAC and its advisers there is little that I can properly say at this stage. I can however assure Members that the question of securing Mr. REID's return and the investigation into the extent of possible criminality are being thoroughly and urgently pursued by senior officers of the ICAC.

As to staff morale, despite the feelings to which I have referred, my staff retain the positive attitude that they have a job to get on with. The six divisions of the Legal Department are working at maximum capacity. I can assure Members of this Council that the Department will continue to strive to provide for the Government and the community the very high standard of legal services that they require.

MRS. CHOW: Sir, with reference to the third step described in the reply, is it not true that Mr. REID had in fact been called upon to advise the Attorney General on major decisions, for example, on whether certain cases should be prosecuted -- and inevitably the Harris case would spring to mind -- during the time that he was under investigation? Can this Council be informed when the Attorney General first became aware of the ICAC's investigation on Mr. REID and why, after learning of it, the Attorney General still continued to let Mr. REID stay in such a senior and responsible position when the ICAC investigation would, at least, render his counsel questionable?

ATTORNEY GENERAL: I became aware of the ICAC's investigation into Mr. REID at the end of August. As to the second part of the question, I regret that I cannot give more details because to do so would reveal details of an ICAC operation and it would be inappropriate for me to describe further that operation.

MR. MCGREGOR: Sir, I have two parts to a question. Could I ask the first part?
HIS EXCELLENCY THE PRESIDENT: If you can connect them together, you can have both parts.

MR. MCGREGOR: I think they are connected, Sir, but depending on the reply. Is the Government aware of the precise whereabouts of Mr. REID, and if so, what is being done to bring him back to Hong Kong? That is the first part of the question. Could I now ask the second?

HIS EXCELLENCY THE PRESIDENT: I think you should try the second but I hope it is connected to the first.

MR. MCGREGOR: Sir, will it be possible to proceed against others allegedly involved in these cases if Mr. REID cannot be brought back?

HIS EXCELLENCY THE PRESIDENT: Semi-connected.

ATTORNEY GENERAL: Sir, for the reasons that I have already given, I cannot go into the details of ICAC operations, and I cannot therefore answer the first part of Mr. MCGREGOR's question. I have already described that the question of his return to Hong Kong is being urgently dealt with by senior officers of the ICAC. As to the second part of Mr. MCGREGOR's question, the investigation by the ICAC is continuing and is not yet completed. It is too early yet to say what steps will have to be taken when that investigation is complete.

MR. PETER WONG: Sir, in common with any other organization in Hong Kong, has the Legal Department invited the ICAC to review its procedures to minimize the opportunities for corruption?

ATTORNEY GENERAL: Yes, Sir, in 1988 the Corruption Prevention Division of the ICAC was invited, as part of its overall programme of inspection of the Civil Service, to look at certain practices and procedures in the Prosecutions Division of the Legal Department. It made a report containing certain recommendations; some of those have been implemented and others are in the process of being implemented. In the light of the very serious allegations against Mr. REID, I shall carefully consider whether

it would be helpful to invite the Corruption Prevention Division to return to the department to see if further advice is required.

MR. MARTIN LEE: Sir, will the Administration inform this Council what reliable methods have been used by the Attorney General to gauge the morale of the members of his Chambers which have resulted in the supremely confident statement that their pride in their work and their commitment to public service are undiminished, in spite of the Warwick REID disappearance and the Chris Harris saga?

ATTORNEY GENERAL: Sir, I have a continuing responsibility to ensure that the staff of the Legal Department have a positive attitude to their work and that their output and performance remain undiminished. In discharge of that responsibility, which I can assure Members I take most seriously, I am in close and frequent contact with the senior officers of my department. I am also in close and frequent contact with all staff of the department. I make it my business fully to acquaint myself with all matters that may affect the efficient operation of my department.

MRS. FONG: An objective test of staff morale is by reference to statistics on recruitment and retention. Can the Attorney General give us some statistics, or whatever he has available, on staff recruitment and retention in relation to the Legal Department?

ATTORNEY GENERAL: Yes, Sir. Taking the three years 1987-88, 1988-89 and 1989-90, the figures of wastage were as follows:

1987-88	34	(17 expatriate, 17 local)
1988-89	38	(19 expatriate, 19 local)
1989-90	24	(16 expatriate, 8 local)

So far in this financial year, Members may think most significantly, wastage rate among local lawyers has dropped to eight.

DR. LEONG: Sir, the Attorney General is very optimistic in his assessment of the

morale of his staff and of bringing Mr. REID back to face justice. I think what is more at stake is the confidence of the public in the Legal Department, where there may be other cases tending to throw into question the department's integrity. What plans, if any, does the Attorney General have to regain such confidence and trust?

ATTORNEY GENERAL: Sir, I have already indicated in my main answer the steps that have been taken to secure the integrity of the Legal Department. I do not propose to repeat them. Ultimately, the trust of the public in the Legal Department is to be gauged by the attitude of those members of the department. As I have said, I am satisfied that the staff of the Legal Department have a positive attitude to their work, they have a pride in their work, and their commitment to the public service is undiminished.

MRS. CHOW: Sir, our primary concern here must be the integrity of the Legal Department, particularly, to use the Attorney General's own words, when that department depends on public trust in its integrity. Will the Attorney General inform this Council whether, as a principle, a senior officer should be relieved of any duty to advise on major decisions to be taken by the Attorney General when criminal investigation of such an officer would at least render his counsel questionable? And would such a principle guide the Attorney General's decision in similar instances in the future?

ATTORNEY GENERAL: Sir, I think that is a question which, with respect, is aimed at the first question asked by Mrs. CHOW. It brings into play operational details and I am afraid I am not prepared to go into them.

Written answers to questions

Crimes committed by Vietnamese boat people

9. MR. TAI asked: Will Government inform this Council of the number and types of criminal offences committed by Vietnamese boat people (VBP) and refugees in Yuen Long and Tuen Mun districts in 1988, 1989 and 1990 to date; and, apart from effectively disallowing VBPs from leaving closed detention centres freely, how Government and voluntary organizations can further prevent VBPs and refugees from committing crimes

in the districts?

SECRETARY FOR SECURITY: Sir, the statistical information requested on criminal offences committed by Vietnamese boat people and refugees is not available for 1988 as separate records were not at that time kept on crimes committed by Vietnamese. For 1989 and 1990 to date, the figures are:

	Tuen Mun	Yuen Long
1989	334	166
1990	73 (to end Feb.)	19 (to end Feb.)
Total	407	185

Of the 407 offences reported in Tuen Mun district in 1989 and 1990, 171 or 42%, took place outside the Tuen Mun, San Yick and Pillar Point refugee centres. Of the 185 offences reported in Yuen Long district during the same period, 57 or 31%, were committed outside the Sek Kong detention centre. The great majority of offences committed by Vietnamese boat people and refugees were theft or theft-related.

Measures which have been and are being taken to prevent and deter crime by Vietnamese boat people and refugees include the following:

(a) The Tuen Mun and Yuen Long District Commanders and the District Fight Crime Committees are monitoring the level and pattern of crime in their districts. Police resources are deployed in response to perceived requirements and patrols have been stepped up in areas identified as crime black spots. Close liaison has been maintained between the police in the districts and the centre management teams and this has been important in detecting and deterring crime.

(b) Government departments, the United Nations High Commissioner for Refugees and voluntary organizations have arranged civic education programmes for refugees and boat people, and in the case of Tuen Mun, orientation programmes which are designed to help refugees come to terms with life in Hong Kong. Law and order is an important element in these programmes.

(c) Security has been greatly improved at the Sek Kong detention centre since it opened in June 1989. The number of escapes has consequently fallen, and the number of criminal offences committed by Vietnamese boat people outside the centre is expected to continue to fall.

I would add that the current refugee population in Tuen Mun district is about 9 200. This is expected to fall steadily to about 4 000 by the end of 1990.

Employment of illegal immigrants

10. MR. TAI asked: Will Government inform this Council whether it will consider introducing legislation to amend section 17I of the Immigration Ordinance to provide a defence for employers who, despite vigilant observance of the statutory obligation to establish the status of prospective employees, may nevertheless be deceived into employing persons who are not lawfully employable?

SECRETARY FOR SECURITY: Sir, section 17I of the Immigration Ordinance makes it an offence of strict liability for an employer to employ a person who is "not lawfully employable". This section was introduced as one of a number of measures to curb illegal immigration, the aim being to emphasize the serious view which the Government takes of the employment of illegal immigrants, and to require employers to exercise vigilance over whom they employ.

In practice, the Attorney General does not prosecute under section 17I, if he is satisfied that an employer has acted in good faith, has taken all reasonable precautions to verify an employee's identity, but has been deceived into believing that false identity documents are genuine.

The Administration has no plans to introduce an amendment to section 17I. Any such amendment would be open to possible exploitation, and would detract from the high degree of care and vigilance expected of employers.

Care and attention homes

11. MR. POON CHI-FAI asked: According to the Five-year Plan for Social Welfare Development in Hong Kong -- Review 1989, only 1 860 places were provided in the care and attention home service as at 31 March 1989 while there were as many as 8 539

applicants registered on the Central Waiting List of the Social and Welfare Department for such places as at 30 November 1989. Will Government inform this Council what caused such severe shortage in the provision of this service; when this service will be adequately provided; what interim remedial measures are available to cope with the inadequate provision of the service; whether consideration has been given to according priority to the provision of such service in older districts with greater number of elderly people and on the basis of the size of the senile population and the number of such institutions in each of the 19 districts; and will Government explain the supply and demand position for care and attention home service in these districts?

SECRETARY FOR HEALTH AND WELFARE: The current shortage of places in care and attention homes is the result of:

(a) the rapid acceleration of demand in recent years. In the White paper "Social Welfare into the 1980s" published in 1979, a target provision of four places for every 1 000 elderly persons (those aged 60 or above) was considered sufficient to meet the demand in the long term. Since that time, the planning ratio has been reviewed on two occasions, resulting in a revision in 1985 to five places per 1 000 elderly persons and a further increase in 1988 to eight places per 1 000 elderly persons. These recent improvements in the planning ratio are clear indications of the sharp increase in demand for care and attention places in recent years; and

(b) the lengthy lead time in the provision of care and attention homes. Such homes are major facilities requiring a minimum lead time of several years for site identification, planning, construction, fitting-out, and so on. Any improvement in the planning ratio therefore takes a number of years to implement in terms of providing necessary additional places.

This combination of accelerating demand and improvements to the planning ratio, together with the long lead time required for physical provision, account for the current shortage of care and attention places.

To address the shortfall in care and attention places, we have in place a phased expansion programme which is projected to increase the supply of subvented places more than threefold to 6 500 in 1994-95, by which time the provision will be close to meeting projected demand as derived from the current planning ratio of eight

subvented places for every thousand elderly persons. It is also relevant that supply is not confined to existing or projected subvented facilities but also includes non-subvented non-profit-making care and attention homes, the current provision of which stands at 697 places.

Experience indicates that demand, as illustrated by the central waiting list for subvented places, tends to be significantly overstated. For example, of the 1 927 wait-listed cases which were processed for admission during 1989, only 1 246 elderly persons (65%) were found, for one reason or other, to be suitable and available for admission into a care and attention home.

Various measures have been or are being introduced which help to alleviate the effect of the shortage. These include the expansion of the home help service, increased financial assistance in the form of a Higher Disability Allowance, the conversion where feasible of hostels into care and attention homes, the provision of care and attention units in new homes for the aged, and a scheme to buy places from private homes which meet approved standards.

Details of the current and projected distribution of places are shown in the Annex attached. Although the provision of care and attention homes is planned on a territory-wide basis, efforts are made to achieve, as far as possible, a balanced distribution of places having regard to the elderly population in each district. The ongoing conversion of some existing hostels into homes for aged with care and attention units is of some assistance in achieving this goal although distribution is likely to remain somewhat uneven, due largely to difficulties in obtaining sites and premises in the older urban districts. The Social Welfare Department will continue to make use of every suitable opportunity to locate sites and premises for care and attention homes in older districts and, in this connection, is already liaising with the Land Development Corporation with a view to securing, where possible, the provision of care and attention places through the corporation's urban renewal schemes.

The Working Party on Social Welfare Policies and Services, which has been tasked with the drafting of a new White Paper on social welfare, is currently conducting a comprehensive examination of all social welfare programme areas including services for the elderly. In its deliberations, the working party will take full account of the effect of demographic trends, including the projected increase in the proportion of the elderly in the population. In recognition of this trend and of the growing

importance of elderly services, a dedicated subcommittee has been established under the working party which will review the provision of services for the elderly, including care and attention facilities.

Project Demand and Supply of Care and Attention Places by District as at 31.3.95

District	Population	(A)	(B)	(C)	(D) = (B)+(C)		
					Demand Projected Elderly C & A	Existing for no. of C & A places	Additional C & A places (1)

Central & Western	49 600	397	20	45	65		
Eastern	92 200	738	--	90	90		
Islands	9 000	72	--	40	40		
Kowloon City	69 800	558	100	350	450		
Kwai Chung/Tsing Yi	46 500	372	398	390	788		
Kwun Tong	95 200	762	152	238	390		
Mongkok	29 600	237	--	--	--		
North	24 200	194	117	45	162		
Sai Kung	18 600	149	110	340	450		

District	Population	(A)	(B)	(C)	(D) = (B)+(C)		
					Demand Projected Elderly C & A	Existing for no. of C & A places	Additional C & A places (1)

Shamshuipo	74 700	598	78	280	358		
Shatin	60 800	486	144	530	674		
Southern	36 300	290	588	450	1 038		
Tai Po	24 200	194	328	338	666		
Tsuen Wan	31 800	254	72	250	322		
Tuen Mun	33 700		270	--	693	693	
Wan Chai	38 400		307	--	252	252	
Wong Tai Sin	77 000		616	167	301	468	
Yaumatei/Tsimshatsui		26	200	210	--	--	--
Yuen Long	34 100		273	283	80	363	

Total 871 900 6 977 2 557 4 712 7 269

Notes

- (1) Demand based on a planning ratio of 8 places for every thousand elderly persons (i.e. aged 60 or above)
- (2) Includes both subvented and non-subvented non-profit-making places
- (3) Includes subvented places only

Lo Wu Border Crossing Point

12. MR. POON CHI-FAI asked: In view of the frequent occurrence of crimes committed by pickpockets on passengers and the chaotic state in which the elderly and the young are being pushed down by the surging crowd gathered in front of the gate of the Lo Wu Border Crossing Point (BCP) when it begins operation every morning, will Government inform this Council why arrangements have not been made for police officers to maintain law and order and to prevent chaotic situations there in the morning; what plans are available for improving the above situations; and whether consideration will be given to deploying at Lo Wu BCP courteous police officers who can carry out their duties with flexibility and common sense so as to ensure the smooth operation of the BCP and harmonious relation between the Police and the public?

SECRETARY FOR SECURITY: Sir, I do not believe that the situation at the Lo Wu Border Crossing Point is chaotic. Appropriate crowd control and policing arrangements are currently in operation there to ensure a smooth passenger flow, and the maintenance of law and order.

Police officers are on duty on the station platforms before the arrival of the first train each morning, and throughout the day thereafter. Additional police manpower is deployed at Lo Wu during major festivals when passenger traffic increases. As with personnel deployed elsewhere, officers at Lo Wu are regularly reminded of the need to be courteous. I have no reason to believe that relations between the police and travelling public at Lo Wu are anything but cordial. Certainly, there have been very few complaints about police conduct there.

New crush barriers were installed at Lo Wu in 1989, and this has improved crowd control and passenger safety. The requirement for additional such measures is kept

regularly under review.

In 1989, 20 cases of pickpocketing were reported at Lo Wu, as a result of which 16 persons were prosecuted. Details of known pickpockets are circulated to officers on duty at Lo Wu and on Kowloon-Canton Railway trains.

Flag selling by charitable organizations

13. MRS. TAM asked: In view of a recent case in which two organizations were found selling flags to raise funds on the same day, will Government inform this Council of the reasons leading to such a situation, and what rectifying measures it will take to allay public concern?

SECRETARY FOR HEALTH AND WELFARE: Approval had been given by the Director of Social Welfare for the Lok Sin Tong Benevolent Society and the Holy Carpenter Church Community Centre to hold a flag day on 10 February and 17 February 1990 respectively. However, on the morning of 10 February 1990, volunteers of both these organizations were found selling flags to raise funds outside the Kowloon Tong MTR Station.

Enquiries revealed that the Holy Carpenter Church Community Centre had recruited some 3 500 volunteers to sell flags on 17 February 1990. Since it was envisaged that the delivery of flags and collection bags would take some time, arrangements were made by the community centre to despatch a proportion of these as early as 9 February 1990 to some of the volunteers, including the elderly members of the Hong Kong Baptist Hospital's Au Shue Hung Health centre. Five of the elderly volunteers of the health centre, probably due to over-enthusiasm, mistakenly concluded that the following day, that is 10 February 1990, was the designated flag day instead of the correct date of 17 February 1990. They thus commenced to sell flags outside Kowloon Tong MTR Station on the morning of 10 February 1990. The Holy Carpenter Church Community Centre, upon notification of the incident, immediately recalled the elderly volunteers that same morning.

The Director of Social Welfare is satisfied that the underlying reason for this occurrence was that the community centre had delivered the flags and collection bags to the volunteers at too early a date and that there was a genuine misunderstanding on the part of the volunteers concerned as to the designated flag day. This

misunderstanding and the reasons for it were subsequently reported in a Chinese language newspaper on 11 February 1990.

The Social Welfare Department takes various measures to ensure, as far as possible, the proper management of flag days by charitable organizations. Two letters were issued in November and in December 1989 to all such organizers, advising them to take all necessary steps in monitoring the execution of flag days. The organizations were also advised not to deliver flags and collection bags to volunteers more than six days in advance. On 27 December 1989, the Department issued a general press release to announce that advisory letters had been issued to all flag day organizers.

In order to avoid such similar incidents in future as well as to allay public concern, the Social Welfare Department has recently taken the following further steps. Based on information provided by the Department, a Chinese language newspaper published a feature article on 22 February 1990 which detailed the criteria and principles adopted in the allocation of flag days, the financial monitoring procedures, as well as the dates which had been assigned to the various organizations during 1990. Furthermore, staff of the Social Welfare Department gave two separate television interviews earlier this month to explain, amongst other things, the criteria and procedures for the allocation of flag days as well as the requirement for flag day organizers to submit to the Director of Social Welfare audited accounts of the receipt and disbursement of funds raised. In addition, departmental staff held discussions on 9 March 1990 with flag day organizers with a view to resolving any common difficulties encountered in the management of such activities.

Medical services in Tseung Kwan O

14. MR. LAM asked: In view of the continuously growing population in Tseung Kwan O, which has gradually rendered the provision of medical facilities inadequate, will Government inform this Council what plans are in hand to improve the local medical services and the facilities of the Haven of Hope Hospital in the district?

SECRETARY FOR HEALTH AND WELFARE: In respect of health care facilities, residents in Tseung Kwan O, which forms part of the Sai Kung District, are presently covered by the Mona Fong Clinic in Sai Kung town. Alternatively, they may make use of the clinics at Kwun Tong, Lam Tin and Shun Lee Estate. The first clinic in Tseung Kwan

O, located in Area 22, will be completed in August this year. To cope with increased demand arising from future population growth in this area, the Medical Development Advisory Committee has recently endorsed the proposal for a second clinic in Tseung Kwan O. This second clinic will be located in Area 44 and is planned for completion in 1996-97. Both clinics will provide out-patient and family health services. A site has been reserved for the building of a third clinic, as and when the need arises.

As regards hospital services, the Haven of Hope Hospital in the district at present provides 300 beds, consisting of 54 medical beds, 144 tuberculosis and chest beds, 98 rehabilitation/hospice beds and four staff beds. In view of the unsatisfactory state of some of the buildings in the hospital, which was built three decades ago, the Medical Development Advisory Committee endorsed a proposal in May last year to re-provision the hospital on site to provide improved services to the community. Construction is scheduled to start in 1991, with a target completion date of 1995. The re-provisioned hospital will have 316 beds and will continue to provide services including acute, rehabilitation, tuberculosis, chest, hospice and convalescence.

For the longer term, there is a plan to build a 600-bed district hospital in Tseung Kwan O to cater for future needs. A site has been identified and reserved in Tseung Kwan O Area 32 for this purpose.

Noise nuisance suffered by residents of Clague Garden Estate

15. MR. LAM asked: Owing to the heavy traffic flow on the Tsuen Wan By-pass near the Clague Garden Estate in Tsuen Wan, residents are disturbed by the noise nuisance generated by the frequent high speed traffic at night. Will Government inform this Council whether there are effective measures to relieve residents of the Estate from such nuisance?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Sir, the Tsuen Wan By-pass was opened before Clague Garden Estate was built. It is a busy road linking Kwai Chung Road with Tuen Mun Highway. During peak traffic hours, the traffic flow may rise to 6 200 vehicles per hour. At night time an average traffic flow of 2 400 vehicles per hour has been recorded during 2030 to 2300 hours. The measured peak hour traffic flow noise level exceeds the acceptable standard at times.

This road is wide, straight and well maintained, and although there is a speed limit of 70 km p.h. drivers sometimes speed at night and make much more noise than traffic within speed limits. The Royal Hong Kong Police is aware of this problem and carries out frequent radar operations at night as a deterrent. The force will continue to mount similar operations in the future, which should help to reduce the occurrence of noise nuisance from high speed traffic in the night.

The Highways Department has already paved this section of the Tsuen Wan By-pass with a noise reducing bituminous material. This helps reduce ordinary traffic noise, but not that of cars speeding at night. Further engineering remedies on the road would be difficult, because there are problems in erecting noise attenuation installations such as enclosures or screens on highway structures which have not been designed to facilitate such installations.

When the land was granted to the Hong Kong Housing Society for the construction of the Clague Garden Estate, the planning brief stated that appropriate measures relating to building design, orientation and siting should be taken to minimize the effects of the by-pass. The Hong Kong Housing Society took this into consideration in siting the housing blocks, and has been monitoring the noise problem both before and after the completion of the housing estate. It is willing to look at further improvements and these are now being discussed with government departments.

Motions

PUBLIC FINANCE ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:

That with effect from 1 April 1990 --

1. there shall be established a fund to be called the Capital Investment Fund;
2. the Fund shall be administered by the Financial Secretary who may delegate his power of administration to other public officers;
3. there shall be credited to the Fund --

(a) all the assets of the Mass Transit Fund, including the shares in the Mass Transit Railway Corporation allotted to the Government and held by the Financial Secretary Incorporated, as at 31 March 1990;

(b) the assets of, including the investments, and any advances in respect of such investments, made from, the Development Loan Fund as at 31 March 1990 specified in Part I of the Schedule;

(c) the investments, and any advances in respect of such investments, made from the general revenue as at 31 March 1990 specified in Part II of the Schedule;

(d) the investments by the Government by way of waived land premium, donated works and other benefits other than cash, and any advances in respect of such investments, as at 31 March 1990 specified in Part III of the Schedule;

(e) all sums received by way of repayment of --

(i) any advances specified in the Schedule;

(ii) any loan or advance made from the Fund under paragraph 5;

(f) subject to the Mass Transit Railway Corporation Ordinance (Cap. 270) and the Kowloon-Canton Railway Corporation Ordinance (Cap. 372) all sums received by way of interest or dividend or under profit sharing arrangements on the investments, loans or advances specified in the Schedule or made under paragraph 5;

(g) such appropriations from the general revenue as may be approved by the Legislative Council for the purpose of the Fund;

(h) all sums received from the sale or other disposal of all or part of any investment specified in the Schedule or made under paragraph 5 or 7;

(i) all sums received by way of interest or dividend on money invested under paragraph 7;

(j) all such other sums as may be received for the purpose of the Fund;

4. the Fund shall assume --

(a) all the liabilities of the Mass Transit Fund as at 31 March 1990 in respect of

investments from the Mass Transit Fund for the purpose of or in connection with the mass transit railway system in accordance with such conditions, exceptions and limitations as have been specified by the Finance Committee;

(b) all the liabilities of the Development Loan Fund as at 31 March 1990 in respect of the investments made from the Development Loan Fund specified in Part I of the Schedule; and

(c) the liability of the general revenue as at 31 March 1990 in respect of promissory notes issued to the Asian Development Bank for share subscription;

5. the Financial Secretary may expend moneys from the Fund for the purpose of -
-

(a) meeting the liabilities assumed under paragraph 4 under terms and conditions already approved by the Finance Committee as at 31 March 1990; and

(b) financing loans, advances and investments (including investments by way of waived land premium, donated works or other benefits (other than cash)) in such persons as may be approved by the Finance Committee, in accordance with such terms and conditions as may be specified by the Finance Committee;

6. the Director of Accounting Services shall, under the authority of a funds warrant issued by the Financial Secretary, pay from the Fund such sums as may be required to meet expenditure from the Fund;

7. the Financial Secretary may, in his discretion, authorize the investment of moneys forming the unexpended balance held in the Fund at any time in interest bearing securities in such manner as he may determine;

8. the Financial Secretary may from time to time transfer from the Fund to the general revenue any balance held in the Fund which is not in his opinion reasonably required for the purpose of the Fund;

9. the Development Loan Fund and the Mass Transit Fund shall be closed;

10. the resolutions relating to the Development Loan Fund (Cap. 2 sub. leg.) and the Mass Transit Fund (Cap. 2 sub. leg.) are repealed.

SCHEDULE

PART I

[paras. 3(b) & 4(b)]

ASSETS, INCLUDING INVESTMENTS AND ADVANCES
OF THE DEVELOPMENT LOAN FUND,
CREDITED TO THE FUND

1. Exchange Fund debt certificates.
2. Short notice and time deposits.
3. Cash and bank balances
4. Investments in respect of --
 - (a) Capital investments in the Hong Kong Housing Authority.
 - (b) Hong Kong Building and Loan Agency Limited -- Guaranteed Notes.
 - (c) Hong Kong Export Credit Insurance Corporation.
5. Advances --

Hong Kong Housing Authority -- Advance in respect of interest accrued.

PART II

[para. 3(d)]

INVESTMENTS AND ADVANCES OF THE GENERAL
REVENUE CREDITED TO THE FUND

1. Investments --

Shares in the Asian Development Bank.
2. Advances --

Hong Kong Housing Authority -- Advance in respect of dividends and interest

accrued.

PART III

[para. 3(d)]

INVESTMENTS AND ADVANCES BY WAY OF WAIVED LAND
PREMIUM, DONATED WORKS AND OTHER BENEFITS,
OTHER THAN CASH, CREDITED TO THE FUND

1. Capital investments in Hong Kong Housing Authority.
2. Shares in the New Hong Kong Tunnel Company Limited.
3. Government's contribution to the initial capital of the Kowloon-Canton Railway Corporation.

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

In my Budget speech last week, I mentioned that I would be moving a resolution in order to establish a new fund to be called the Capital Investment Fund. The Fund will be of particular relevance in relation to the expenditure involved in our infrastructural development in the coming years. In establishing this new fund the opportunity will be taken to rationalize the operation of the other funds, and as a result, the Mass Transit Fund and the Development Loan Fund will be disestablished.

This new Capital Investment Fund will become a vehicle for providing the Government's permanent investment in public sector bodies that are not part of the government structure itself. Bodies that already fall into this category are the Housing Authority, the Mass Transit Railway Corporation and the Kowloon- Canton Railway Corporation. The Airport Authority, which is expected to be established in 1991, will also fall into this category. Whilst the money in the Fund will, for accounting purposes, be separated from the General Revenue Account, I must stress that all investments and loans arising from the operation of the Fund will be subject to the approval of the Finance Committee. Thus the authority of Finance Committee will in no way be diminished. It is the accounting arrangements only that will change.

The Capital Investment Fund will facilitate more logical accounting for the large investments the Government has made and is expected to make. As a result, the Fund

should assist in providing a clearer picture of the overall state of the public finances.

Sir, the resolution before this Council today details the terms under which the Capital Investment Fund will operate. The resolution provides for the Fund to take over the various investments already made by the Government in the Housing Authority, the rail corporations and other bodies such as the New Hong Kong Harbour Crossing Company, and to make future investments in these and other bodies.

Following the establishment of the Capital Investment Fund, the Mass Transit Fund will no longer be required. The resolution therefore provides for the disestablishment of the Mass Transit Fund. Similarly, the new Fund will be able to take over the major function of the Development Loan Fund in making equity investments in the Hong Kong Housing Authority. Therefore, this resolution also provides for the disestablishment of the Development Loan Fund. There are still a number of residual functions of the Development Loan Fund, and they will be covered in the second resolution under my name.

Sir, I beg to move.

Question on the motion proposed, put and agreed to.

PUBLIC FINANCE ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:

That with effect from 1 April 1990 --

1. there shall be established a fund to be called the Loan Fund;
2. the Fund shall be administered by the Financial Secretary who may delegate his power of administration to other public officers;
3. there shall be credited to the Fund --
 - (a) all the assets of the Student Loan Fund including any outstanding balances as at 31 March 1990;

(b) all the outstanding balances as at 31 March 1990, in respect of the loans and advances made from the Development Loan Fund specified in Part I of the Schedule;

(c) all the outstanding balance as at 31 march 1990, in respect of the loans made from the general revenue specified in Part II of the Schedule;

(d) such appropriations from the general revenue as may be approved by the Legislative Council for the purpose of the Fund;

(e) all sums received by way of repayment of --

(i) any loan made from the Student Loan Fund;

(ii) any loan or advance specified in the Schedule;

(iii) any loan or advance made from the Fund under paragraph 6;

(f) all sums received by way of interest or dividend on --

(i) any loan made from the Student Loan Fund;

(ii) any loan or advance specified in the Schedule;

(iii) any loan or advance made from the Fund under paragraph 6;

(iv) any sum invested under paragraph 8;

(g) all sums received from the sale or other disposal of all or part of any investment made under paragraph 8;

(h) all such other sums as may be received for the purpose of the Fund;

4. the Fund shall assume --

(a) all the deposits of the Student Loan Fund as at 31 March 1990; and

(b) all the deposits of the Development Loan Fund as at 31 March 1990;

5. the Fund shall assume --

(a) all the liabilities of the Student Loan Fund in respect of schemes approved by the Finance Committee as at 31 March 1990 for the purpose of granting loans to students out of the Student Loan Fund;

(b) all the liabilities of the Development Loan Fund in respect of schemes approved by the Finance Committee as at 31 March 1990 for the purpose of financing loans and advances out of the Development Loan Fund; and

(c) all the liabilities of the general revenue in respect of schemes approved by the Finance Committee as at 31 March 1990 in respect of the loans specified in Part II of the Schedule;

6. the Financial Secretary may expend moneys from the Fund for the purpose of -
-

(a) meeting the liabilities in respect of deposits assumed under paragraph 4 and the liabilities assumed under paragraph 5 under terms and conditions already approved by the Finance Committee as at 31 March 1990; and

(b) granting loans and advances to such persons as may be approved by the Finance Committee, in accordance with such terms and conditions as may be specified by the Finance Committee;

7. the Director of Accounting Services shall, under the authority of a funds warrant issued by the Financial Secretary, pay from the Fund such sums as may be required to meet expenditure from the Fund;

8. the Financial Secretary may, in his discretion, authorize the investment of moneys forming the unexpended balance held in the Fund at any time in interest bearing securities in such manner as he may determine;

9. the Financial Secretary may from time to time transfer from the Fund to the general revenue any balance held in the Fund which is not in his opinion reasonably required for the purpose of the Fund;

10. the Student Loan Fund shall be closed;

11. the resolutions relating to the Student Loan Fund (Cap. 2 sub. leg.) are repealed.

SCHEDULE

PART I

[para. 3(b)]

LOANS AND ADVANCES FROM DEVELOPMENT LOAN FUND CREDITED TO THE FUND

1. Loans --

(a) Hong Kong Housing Society -- loan for urban development and urban improvement schemes and construction of rural public housing estates.

(b) Local government officers -- loans to members of co-operative building societies and underlessees of Government-built housing schemes.

(c) Hong Kong Settlers Housing Corporation Limited -- housing loans.

(d) Housing assistance for civil servants -- downpayment loans and housing loans.

(e) Loans to schools.

(f) Fisheries loans.

(g) Kadoorie Agricultural Aid Loan Fund -- Livestock Waste Control Scheme.

(h) Tai Po Industrial Estate Loan.

(i) Yuen Long Industrial Estate Loan.

(j) Tai Po and Yuen Long Industrial Estate Loan.

(k) Land Development Corporation -- loan for financing the establishment of the Corporation.

(l) Hong Kong Productivity Council -- loan for construction of a special purpose building.

(m) Hong Kong Cricket Club -- Club house and facilities.

(n) Regional Council -- loan for construction of Regional Council Chambers.

(o) Regional Council -- loan for construction of Regional Services Department headquarters building.

2. Advances --

Hong Kong Productivity Council -- Advance in respect of interest accrued.

PART II

[paras. 3(c) & 5(c)]

LOANS FROM GENERAL REVENUE

CREDITED TO THE FUND

1. Interest-free loans to teachers in training.

2. Loan to the Tung Wah Group of Hospitals.

3. Interest-free loan to The Hong Kong Design Innovation Company Limited.

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

In moving the first resolution to establish the Capital Investment Fund, I mentioned that the opportunity would be taken to reorganize the structure of the present funds. The purpose is to bring together loans under the Development Loan Fund, the Student Loan Fund and the General Revenue under one fund. This resolution provides for the establishment of a Loan Fund to achieve this purpose and as a consequence the disestablishment of the Student Loan Fund.

Like the first resolution, this resolution is concerned primarily with accounting arrangements. The establishment of the Loan Fund and the disestablishment of the Student Loan Fund will in no way affect the eligibility for loans of those who qualify at present or the availability of funds for the purpose. The authority of the Finance Committee to approve loans will not change but a single Loan Fund will be a more logical arrangement to account for all loans made by the Government.

Sir, I beg to move.

Question on the motion proposed, put and agreed to.

PUBLIC FINANCE ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:

That --

1. Authority is hereby given for a sum not exceeding \$38,914,433,000 to be charged on the general revenue in advance of an Appropriation Ordinance for expenditure on the services of the Government in respect of the financial year commencing on 1 April 1990.
2. Subject to this resolution, the sum so charged may be expended against the heads of expenditure, and expenditure for each such head shall be arranged in accordance with the subheads, shown in the draft Estimates of Expenditure 1990-91 or, where such estimates are changed under the provisions of the Public Finance Ordinance as applied by section 7(2) of that Ordinance, in accordance with such estimates as so changed.
3. Expenditure in respect of any head shall not exceed the aggregate of the amounts specified in respect of each subhead in that head, by reference to percentages, in paragraph 4(a) and (b).
4. Expenditure in respect of each subhead in a head shall not exceed --
 - (a) in the case of a Recurrent Account subhead, an amount equivalent to --
 - (i) except where the subhead is listed in the Schedule hereto, 20% of the provision shown in respect of it in the draft Estimates;
 - (ii) where the subhead is listed in the Schedule hereto, that percentage of the provision shown in respect of it in the draft Estimates which is specified in relation to that subhead in the Schedule; and
 - (b) in the case of a Capital Account subhead, an amount equivalent to 100% of the

provision shown in respect of it in the draft Estimates,

or such other amount, not exceeding the provision shown in respect of the subhead in the draft Estimates, as may in any case be approved by the Financial Secretary.

SCHEDULE

[para. 4]

	Percentage of provision	
Head of Expenditure		Subhead shown in draft Estimates
22		Agriculture and 452 Royal Society for the Fisheries Department Prevention of Cruelty to Animals (Hong Kong)..... 25
		456 World Wide Fund for Nature (Hong Kong)..... 25
25		Architectural Services 414 Environmental Advisory Department Service..... 25
24		Audit Department 002 Allowances..... 25
91		Buildings and Lands 221 Clearance of Crown land -- Department ex-gratia allowances..... 40
		Percentage of provision
Head of Expenditure		Subhead shown in draft Estimates
		259 Enforcement of the Buildings Ordinance -- works on private property..... 40

28	Civil Aviation Department	170	Airport insurance.....	100
		281	Air passenger departure tax administration fees.....	30
43	Civil Engineering Services Department	255	Storage of explosives.....	25
31	Customs and Excise Department	103	Rewards and special services	30
40	Education Department	152	Scholarships, bursaries and maintenance grants.....	30
		265	Employment of expatriate teachers of English	100
		330	Assistance to private secondary schools and bought places.....	30
		350	Refund of rents and rates to kindergartens, private schools and study rooms....	30
		355	Assistance to Lingnan College.....	50
		489	Miscellaneous educational services.....	30
46	General Expenses of the Civil Service	013	Personal allowances.....	30
50	Government Land Transport Agency	225	Traffic accident victims assistance scheme -- levies..	100
	Percentage			

	of provision		
Head of Expenditure	Subhead shown in		
	draft		
	Estimates		
53	Government	285 Promotional activities on	
	Secretariat : City	building management.....	26
	and New Territories		
	Administration		
56	Government	102 Technical Services Agreement	75
	Secretariat: Planning,		
	Environment and Lands		
	Branch and Works		
	Branch		
60	Highways Department	273 Highways maintenance.....	30
61	Hospital Services	383 Community Nursing Service	25
	Department		
	401 Refund of rates (non-profit-		
	making hospitals).....	25	
62	Housing Department	228 Clearance.....	25
	232 Squatter control.....	25	
	268 Clearance of the Kowloon		
	Walled City.....	25	
73	Industry Department	002 Allowances.....	25
	513 Hong Kong Quality Assurance		
	Agency.....	25	
76	Inland Revenue	002 Allowances.....	25
	Department		
	149 General departmental		

	expenses.....	25
189	Interest on tax reserve certificates.....	35
209	Special legal expenses.....	25
	Percentage of provision	
Head of Expenditure	Subhead shown in draft Estimates	
34	Internal Security: 195 Defence Costs Agreement: Miscellaneous cash contribution.....	25
	Measures	
92	Legal Department 243 Hire of legal services and related professional fees.....	25
120	Pensions 015 Civil, judicial service and police pension benefits and compensation.....	30
	016 Gratuities for officers on contract.....	30
	017 Widows' and children's pensions, widows' and orphans' pensions and increases.....	30
	026 Employees' compensation.....	50
118	Planning Department 149 General departmental expenses.....	30
122	Police : Royal Hong Kong Police Force 245 Pay and allowances for the auxiliary services.....	25

126 Post Office 002 Allowances.....	25
130 Printing Department 002 Allowances.....	25
167 Royal Hong Kong 001 Salaries.....	45
Regiment (The	
Volunteers) 245 Pay and allowances for the	
auxiliary services.....	30
246 Training expenses for the	
auxiliary services.....	30
170 Social Welfare 177 Emergency relief.....	100
Department	
179 Public assistance scheme.....	25
Percentage	
of provision	
Head of Expenditure Subhead shown in	
draft	
Estimates	
170 Social Welfare 180 Special needs allowances.....	25
Department	
(continued) 410 Rehabilitation services	
(grants).....	25
411 Social welfare services	
(grants).....	25
412 Refunds of rates.....	25
176 Subventions: 416 Commonwealth Parliamentary	
Miscellaneous Association (Hong Kong	
Branch).....	60
419 Hong Kong Council for Academic	
Accreditation.....	50

432	Far Eastern Relief Fund.....	25
437	Hong Kong - Japan Business Co-operation Committee.....	25
460	United Nations Children's Fund.....	100
462	United Nations Fund for Drug Abuse Control.....	100
475	Outward Bound Trust of Hong Kong.....	25
487	Subventions for performing arts activities.....	30
488	Hong Kong War Memorial Fund.....	30
503	Subventions to voluntary agency camps.....	25
504	Hong Kong Council on Smoking and Health.....	25

Percentage
of provision

Head of Expenditure Subhead shown in
draft
Estimates

176	Subventions: 506 Trade Policy Research Centre	100
	Miscellaneous (continued)	
177	Subventions: 415 Hong Kong Sports Development Non-Departmental Board.....	25

Public Bodies		
429 Consumer Council.....	25	
441 Hong Kong Productivity Council.....	25	
443 Hong Kong Tourist Association.....	25	
444 Hong Kong Trade Development Council.....	25	
508 Open Learning Institute of Hong Kong.....	25	
509 Hong Kong University of Science and Technology Council.....	25	
178 Technical Education and Industrial Training Department	468 Grant (Recurrent) Vocational Training Council.....	25
180 Television and Entertainment Licensing Authority	149 General departmental expenses.....	25
186 Transport Department	505 Special transport facilities for the disabled.....	25
188 Treasury	002 Allowances.....	30
	123 Write-offs.....	50
	187 Agents' commission and expenses.....	90
	Percentage of provision	

Head of Expenditure Subhead shown in
draft
Estimates

188 Treasury (Continued)	190 Other miscellaneous items.....	100
	191 Payment to Cross-Harbour Tunnel Company Ltd.....	100
	192 Refunds of revenue.....	100
190 Universities and Polytechnics	002 Allowances.....	25
	169 Visitation.....	35
	492 Grants to universities, polytechnics and Baptist College.....	25
	496 Refund of rates - universities, polytechnics and Baptist College.....	25
194 Water Supplies Department	223 Purchase of water.....	35

Explanatory Note

This resolution authorizes the expenditure of a sum not exceeding \$38,914,433,000 on the services of the Government prior to the enactment of an Appropriation Ordinance for the 1990-91 financial year.

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

The purpose of this motion is to seek funds on account to enable the Government to carry on existing services between the start of the financial year on 1 April 1990 and the enactment of the Appropriation Bill.

The funds on account sought under each subhead have been determined in accordance with paragraph 4 of the resolution, by reference to percentages of the provision shown in the draft Estimates. As the draft Estimates are changed from time to time, by the Finance Committee or under delegated powers, the provision to which the percentages are applied will also change. Thus the provision on account under each head is not constant but may vary, with every increase being matched by an equal decrease. The initial provision on account under each head is shown in a footnote to this speech. The aggregate total under all heads is fixed, however, at \$38,914,433,000 and cannot be exceeded without the approval of this Council.

The resolution also enables the Financial Secretary to vary the funds on account in respect of any subhead, provided that these variations do not cause an excess over the amount of provision entered for that subhead in the draft Estimates or an excess over the amount of funds on account for the head.

A vote on account warrant will be issued to the Director of Accounting Services authorizing him to make payments up to the amount specified in this motion and in accordance with its conditions. The vote on account will be subsumed upon the enactment of the Appropriation Bill, and the general warrant issued after the enactment of the Appropriation Bill will replace the vote on account warrant and will be effective from 1 April 1990.

Sir, I beg to move.

FOOTNOTE

	Initial		
Head of Expenditure in the draft	Amount shown	amount of	provision
Estimates	on account		
	\$'000	\$'000	
21 His Excellency the Governor's Establishment..	12,380	2,476	
22 Agriculture and Fisheries Department	243,646	66,939	
25 Architectural Services Department	875,330	177,397	
24 Audit Department	50,310	10,199	
23 Auxiliary Medical Services	29,620	7,429	

91	Buildings and Lands Department	653,832	146,025
26	Census and Statistics Department	194,618	39,547
27	Civil Aid Services	35,114	7,725
28	Civil Aviation Department	399,791	98,677
43	Civil Engineering Services Department	319,240	75,587
30	Correctional Services Department	996,856	209,711
31	Customs and Excise Department	531,716	113,602
37	Department of Health	1,067,113	
	224,746		
39	Drainage Services Department	300,651	65,886
40	Education Department	9,025,739	
	1,966,136		
42	Electrical and Mechanical Services Department	746,518	160,861
44	Environmental Protection Department	271,729	115,910
45	Fire Services Department	1,053,255	301,982
46	General Expenses of the Civil Service	1,684,148	356,095
48	Government Laboratory	71,759	20,868
50	Government Land Transport Agency	32,149	13,869

Initial

Amount shown amount of

Head of Expenditure in the draft provision

Estimates on account

\$'000 \$'000

51	Government Property Agency	1,567,332	313,467
52	Government Secretariat	596,368	129,103
53	Government Secretariat: City and New Territories Administration	450,724	104,218
29	Government Secretariat: Civil Service Training Centre	75,445	15,089
96	Government Secretariat: Overseas Offices	120,372	27,992
56	Government Secretariat: Planning, Environment and Lands Branch and Works Branch	64,666	13,686
55	Government Secretariat: Recreation and Culture Branch Executive Divisions	64,946	14,573

58	Government Supplies Department	92,776	22,900
60	Highways Department	768,249	201,204
61	Hospital Services Department	5,863,083	
	1,288,143		
62	Housing Department	367,646	97,294
70	Immigration Department	804,242	171,057
72	Independent Commission Against Corruption...	284,743	59,926
73	Industry Department	98,887	55,293
74	Information Services Department	116,527	23,900
47	Information Technology Services Department..	138,099	32,791
76	Inland Revenue Department	438,839	94,217
34	Internal Security: Miscellaneous Measures	1,588,974	446,722
80	Judiciary	290,282	
	62,046		
90	Labour Department	205,876	42,112
94	Legal Aid Department	179,959	35,992
92	Legal Department	299,025	68,026
100	Marine Department	400,591	107,784
106	Miscellaneous Services	9,110,624	
	2,418,253		
112	Office of Members of the Executive and Legislative Councils	33,146	6,630
114	Office of the Commissioner for Administrative Complaints	6,672	1,335
120	Pensions	2,877,172	
	863,752		
118	Planning Department	110,974	35,883
121	Police Complaints Committee	4,875	975
122	Police: Royal Hong Kong Police Force	4,987,948	1,120,443
126	Post Office	1,212,607	
	260,658		
130	Printing Department	139,662	34,413
136	Public Service Commission	2,503	501
160	Radio Television Hong Kong	261,365	67,401

Initial

Amount shown amount of

Head of Expenditure in the draft provision

Estimates on account

\$'000 \$'000

162 Rating and Valuation Department	110,396	22,264
164 Registrar General's Department	185,785	37,653
165 Registry of Trade Unions	4,735	947
166 Royal Hong Kong Auxiliary Air Force	314,765	283,662
167 Royal Hong Kong Regiment (The Volunteers) .	30,995	11,562
168 Royal Observatory	72,920	17,364
170 Social Welfare Department	4,705,865	
1,151,284		
174 Standing Commission on Civil Service Salaries and Conditions of Service	12,352	2,471
175 Standing Committee on Disciplined Service Salaries and Conditions of Service	6,636	1,328
176 Subventions: Miscellaneous	117,444	35,374
177 Subventions: Non-Departmental Public Bodies	1,251,603	
361,220		
178 Technical Education and Industrial Training Department	690,600	180,186
180 Television and Entertainment Licensing Authority	16,450	
3,967		
110 Territory Development Department	122,036	24,716
181 Trade Department	115,927	26,310
186 Transport Department	277,053	69,119
188 Treasury	182,171	
62,260		
190 Universities and Polytechnics	2,973,487	762,412
194 Water Supplies Department	1,849,985	500,888
65,261,918	15,974,433	
184 Transfers to Funds	22,940,000	
22,940,000		
Total	88,201,918	38,914,433

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Question on the motion proposed, put and agreed to.

First Reading of Bills

HONG KONG PRODUCTIVITY COUNCIL (AMENDMENT) BILL 1990
PROVISIONAL AIRPORT AUTHORITY BILL 1990

EMPLOYEES' COMPENSATION INSURANCE LEVIES BILL 1990

RADIATION (AMENDMENT) BILL 1990

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

Second Reading of Bills

HONG KONG PRODUCTIVITY COUNCIL (AMENDMENT) BILL 1990

THE FINANCIAL SECRETARY moved the Second Reading of: "A Bill to amend the Hong Kong Productivity Council Ordinance."

He said: Sir, I move that the Hong Kong Productivity Council (Amendment) Bill 1990 be read the Second time.

Since its establishment in 1967, the nature and scope of activities of the Hong Kong Productivity Council have expanded enormously. The Council has developed into a leading industrial organization providing a diverse range of services and facilities in support of Hong Kong's manufacturing industry.

In order to enable the Council to play its role more effectively and to exploit more readily opportunities for commercial enterprises, the Bill proposes to empower the Council to establish companies and to purchase shares in companies for the better carrying out of the functions of the Council. The Bill also proposes to empower the Council to make loans or give other forms of financial assistance to the companies it has established.

Section 9 of the principal Ordinance specifies that the number of members of the Council appointed by the Governor shall not be more than 21, out of which not more than 14 shall be representatives of management, labour, and professional or academic interests. This number has remained unchanged since 1967. The current size of membership is inadequate to allow for all the major industrial sectors to be sufficiently represented. The Bill therefore proposes to enlarge the Council's membership from 21 to 23 to allow for the appointment of two extra members from the major industrial sectors. This will enable the Council to cope with the significantly increased scope, volume and complexity of its work.

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

Question on the adjournment proposed, put and agreed to.

PROVISIONAL AIRPORT AUTHORITY BILL 1990

THE FINANCIAL SECRETARY moved the Second Reading of: "A Bill to establish a body to be known as the Provisional Airport Authority and to define its functions."

He said: Sir, I move that the Provisional Airport Authority Bill 1990 be read the Second time.

In your opening address to the Legislative Council last October, you, Sir, outlined the Government's long-term strategic plans for the future development of the port and airport. In particular, you revealed that Hong Kong's new international airport would be built at Chek Lap Kok.

You also informed Members that the airport's planning, construction and management would be placed in the hands of an Airport Authority, and that, pending the establishment of this Authority, a Provisional Airport Authority would be set up to take forward the necessary planning and preparatory work.

The purpose of this Bill is to provide for the establishment of the Provisional Airport Authority, and to set out the Provisional Authority's duties, responsibilities and powers once it has been established. The Provisional Authority's main function will be to undertake whatever tasks are necessary in establishing the new airport.

To provide a corporate framework through which the Provisional Authority may achieve its objective, the Bill seeks to empower the Provisional Authority to engage its own staff, to acquire property or land, to enter into contracts or other agreements, to receive and expend money, and to employ consultants or other advisers as may be necessary to assist in the task of planning and designing the airport.

To meet the Provisional Authority's expenditure, it is envisaged that public funds will be provided initially. Nevertheless, the Bill provides for the Provisional Authority to borrow and for Government guarantees to be given in respect of money raised in this way. While it is prudent to include these provisions, in practice, we anticipate that borrowings will not be required until after 1992 when the major expenditure on the construction programme comes on stream. By then, we expect that the Airport Authority would have been established.

The Schedule to the Bill seeks to make the Provisional Authority a body corporate. The Schedule also provides for the composition of the Provisional Authority and other matters related to its constitution. In addition to the Financial Secretary, who will be the Chairman of the Provisional Airport Authority, and the Chief Executive Officer who, when appointed, will be a member, the Bill provides for the appointment of between eight to 15 other members.

Having regard to the size of the project and the importance of the new airport to the community as a whole, the only other aspect of the Bill to which I wish to draw attention is the fact that it empowers you, Sir, to direct the Provisional Authority in the performance of its functions, should this be considered necessary.

After enactment of the Bill, the Government will make an announcement on the membership of the Provisional Authority. Much preparatory work has already been done with a view to ensuring that the new airport at Chek Lap Kok can be operational in 1997. Once established, the Provisional Authority will become the dedicated vehicle to take over the necessary planning and preparatory work for this major project.

Sir, considering the need to establish the Provisional Airport Authority as quickly as possible, exceptionally and to avoid any delays that could arise from processing the English and Chinese texts simultaneously, the Governor in Council has directed that only the English version should be introduced into the Legislative Council. Once enacted, and in compliance with the provisions of the Official Languages Ordinance (Cap. 5), the Chinese version of the text will then be studied

by the Bilingual Laws Advisory Committee and will be presented to the Executive Council for formal approval.

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

Question on the adjournment proposed, put and agreed to.

EMPLOYEES' COMPENSATION INSURANCE LEVIES BILL 1990

THE SECRETARY FOR EDUCATION AND MANPOWER moved the Second Reading of: "A Bill to establish the Employees' Compensation Insurance Levies Management Board as body corporate, to provide for the imposition of a levy on insured persons and to provide for the collection and distribution of the levy remitted by insurers and for matters incidental thereto."

He said: Sir, I move that the Employees' Compensation Insurance Levies Bill 1990 be read a Second time.

At present, insurers are collecting a 1% levy on employees' compensation insurance premia to meet the expenses of the Occupational Safety and Health Council. Given the imminent introduction of the Employees' Compensation Assistance Scheme, which has been endorsed by Executive Council and is the subject of a separate Bill now being drafted, an additional levy of 1% will be required. Instead of asking insurers to collect two levies and remit them to two different bodies, the Bill before us provides for a combined levy of 2%, and for the creation of an Employees' Compensation Insurance Levies Management Board for the collection and distribution of the combined levy. This measure will also relieve the two statutory boards of the burden of collecting their own levy, and allow them to concentrate on their primary task of promoting occupational safety and administering the Employees' Compensation Assistance Scheme.

Part II of the Bill establishes the Management Board as a body corporate and sets out its composition and procedure. The Board shall consist of a chairman, up to five members representing employers, employees and the insurance industry, a member of the Occupational Safety and Health Council, and up to two public officers. The Board shall have its own staff and its expenses will be met from the combined levy.

Part III of the Bill deals with financial matters. Clause 7 and Schedule 2

provide for the even distribution of income from the combined levy to the Occupational Safety and Health Council and, pending the establishment of the Employees' Compensation Assistance Fund, to a temporary fund to be administered by the Financial Secretary Incorporated.

Part IV prescribes the arrangements for imposing, collecting and distributing the combined levy. Clause 14 provides for the imposition of the levy, to be known as the Employees' Compensation Insurance Levy, payable on every employees' compensation insurance premium. The clause also provides for the rate of levy to be determined by the Governor in Council.

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

Question on the adjournment proposed, put and agreed to.

RADIATION (AMENDMENT) BILL 1990

THE SECRETARY FOR HEALTH AND WELFARE moved the Second Reading of: "A Bill to amend the Radiation Ordinance."

She said: Sir, I move that the Radiation (Amendment) Bill 1990 be read a Second time.

The Radiation Ordinance and its subsidiary legislation impose controls on the import, export, possession and use of radioactive substances and irradiating apparatus, in order to minimize the health hazards arising from the improper use of radioactive substances and irradiating apparatus. The changes proposed in this Bill are based on recommendations made by the Radiation Board to remove some provisions which are no longer serving a useful purpose or cannot be practically implemented and to amend others that are inadequate to meet operational needs.

Under section 15 of the Ordinance, the Radiation Board is empowered to exempt from provisions of the Ordinance any specified person, group or class of persons, having regard to the public interest and the degree of risk. However, there is at present no general exemption covering radioactive substances or irradiating apparatus themselves, which are by definition "radioactive" but are not harmful to health, from the application of the Ordinance. These may include luminous watches and smoke detectors which contain radioactive substances that are so permanently

encased that they are considered safe to be used by the public without the need for licensing controls. It is difficult to draw up an exhaustive list of such articles which may be exempted as new products appear from time to time. Clause 7 of the Bill therefore provides that the existing power of the Radiation Board to grant exemptions to specified persons should be extended to cover specified radioactive substances or irradiating apparatus, and that such exemptions should be publicized by notice in the Gazette.

Under section 16(4)(C), a Radiation Board inspector has the power to seize, remove and detain any irradiating apparatus or radioactive substance in respect of which there are reasonable grounds to suspect that an offence under the Ordinance has been committed. Clause 8 of the Bill amends section 16 by empowering inspectors to seal or render inoperable an irradiating apparatus if it is possible to do so without permanently damaging the equipment. In the case of radioactive substances which have been seized or detained, the new subsection (6) enables an inspector to seal the articles or places containing these substances. These additional provisions are necessary because in some circumstances, the apparatus or substances involved may be too bulky to be removed promptly and the Board should be able to take immediate action to prevent or minimize hazards that may arise from the indiscriminate use of the apparatus or substances. Clause 9 provides a sanction against unauthorized breaking or interfering with the seal.

Under section 22, a licence holder is liable for an offence against the Ordinance committed by his employee or agent, unless he proves that the offence was committed without his knowledge and that he had exercised all due diligence to prevent the commission of the offence. However, past experience has indicated that employer-employee or principal-agent relationships are difficult to establish in court and on a number of occasions, the licence holder was able to avoid conviction by successfully denying that the operator of an irradiating apparatus who had committed the offence was his employee or agent. To remedy this defect, clause 14 re-enacts section 22 to remove the reference to employees or agents and to make a licence holder liable for an offence committed in respect of the licensed radioactive substances or irradiating apparatus unless he proves that the offence was committed without his knowledge and that he had exercised all due diligence to prevent the commission of the offence.

The Bill also seeks to introduce a five-fold increase in the level of fines for various offences under the Ordinance. These fines have not been revised since the

Ordinance came into force. Although the number of offences has been at a low level, it is considered necessary to increase the fines so as to maintain their deterrent effect and bring them into line with similar offences under other legislation, such as the Dangerous Goods Ordinance.

The remaining clauses, Sir, are technical in nature and do not raise issues of principle.

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

Question on the adjournment proposed, put and agreed to.

URBAN COUNCIL (AMENDMENT) BILL 1990

Resumption of debate on Second Reading which was moved on 21 February 1990

Question on Second Reading proposed.

At this point Mrs. Elsie TU declared her interest as a member of the Urban Council.

Question on the Second Reading of the Bill put and agreed to.

Bill read the Second time.

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

REGIONAL COUNCIL (AMENDMENT) BILL 1990

Resumption of debate on Second Reading which was moved on 21 February 1990

Question on Second Reading proposed.

At this point the following Members declared their interest:

Mr. CHEUNG Yan-lung as Chairman of the Regional Council;

Mrs. Miriam LAU as a member of the Regional Council;

Mr. LAU Wong-fat as a member of the Regional Council.

Question on the Second Reading of the Bill 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.

URBAN COUNCIL (AMENDMENT) BILL 1990

Clauses 1 and 2 were agreed to.

REGIONAL COUNCIL (AMENDMENT) BILL 1990

Clauses 1 and 2 were agreed to.

Council then resumed.

Third Reading of Bills

THE ATTORNEY GENERAL reported that the
URBAN COUNCIL (AMENDMENT) BILL 1990 and

REGIONAL COUNCIL (AMENDMENT) BILL 1990

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

Question on the Third Reading of the Bills proposed, put and agreed to.

Bills read the Third time and passed.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday 21 March 1990.

Adjourned accordingly at twelve minutes past Four o'clock.

Note: The short titles of the Bills/motions listed in the Hansard, with the exception of the Employees' Compensation Insurance Levies Bill 1990, have been translated into Chinese for information and guidance only; they do not have authoritative effect in Chinese.