

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 28 May 1980****The Council met at half past two o'clock****PRESENT**

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

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

THE HONOURABLE THE FINANCIAL SECRETARY (*Acting*)
SECRETARY FOR ECONOMIC SERVICES
MR. DAVID GREGORY JEAFFRESON, J.P.

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

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR. LI FOOK-KOW, C.M.G. J.P.

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

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

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, C.M.G., J.P.
DIRECTOR OF EDUCATION

THE HONOURABLE DEREK JOHN CLAREMONT JONES, C.M.G., J.P.
SECRETARY FOR THE ENVIRONMENT

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

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

THE HONOURABLE JOHN CHARLES CREASEY WALDEN, J.P.
DIRECTOR OF HOME AFFAIRS

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

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

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

THE HONOURABLE DAVID ROBERT FORD, M.V.O., O.B.E., J.P.
SECRETARY FOR INFORMATION

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

THE HONOURABLE JOHN GEORGE STEAN, O.B.E., J.P.
DIRECTOR OF PUBLIC WORKS (*Acting*)

THE HONOURABLE MRS. ANSON CHAN, J.P.
DIRECTOR OF SOCIAL WELFARE (*Acting*)

THE HONOURABLE OSWALD VICTOR CHEUNG, C.B.E., Q.C., J.P.

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

THE HONOURABLE LI FOOK-WO, C.B.E., J.P.

THE HONOURABLE JOHN HENRY BREMRIDGE, O.B.E., J.P.

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

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

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

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

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

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

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

THE HONOURABLE LEUNG TAT-SHING, O.B.E., J.P.

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

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

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

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

THE HONOURABLE CHARLES YEUNG SIU-CHO, J.P.

DR. THE HONOURABLE HO KAM-FAI

THE HONOURABLE ANDREW SO KWOK-WING

THE HONOURABLE HU FA-KUANG, J.P.

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

ABSENT

THE HONOURABLE ALAN JAMES SCOTT, J.P.

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

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

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

THE HONOURABLE ALLEN LEE PENG-FEI

THE HONOURABLE DAVID KENNEDY NEWBIGGING, J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MRS. LORNA LEUNG TSUI LAI-MAN

Oath

MRS. CHAN took the Oath of Allegiance and assumed her seat as a Member of the Council.

HIS EXCELLENCY THE PRESIDENT:—I have much pleasure in welcoming Mrs. CHAN to this Council.

Papers

The following papers were laid pursuant to Standing Order No. 14(2):—

<i>Subject</i>	<i>L.N. No.</i>
Subsidiary Legislation:	
Dangerous Goods Ordinance. Dangerous Goods (Classification) (Amendment) Regulations 1980.....	107
Dangerous Goods Ordinance. Dangerous Goods (General) (Amendment) Regulations 1980.....	108
Evidence Ordinance. Evidence (Authorized Persons) (No. 5) Ordinance 1980.....	111
Waste Disposal Ordinance 1980. Waste Disposal Ordinance 1980 (Commencement) Notice 1980.....	112
Immigration Ordinance. Authorization by the Governor under Section 58A.....	113
Royal Hong Kong Auxiliary Air Force Ordinance. Royal Hong Kong Auxiliary Air Force (Amendment) Regulations 1980.....	114
Companies Ordinance. Companies (Forms) (Amendment) Order 1980.....	115

<i>Subject</i>	<i>L.N. No.</i>
Legal Officers Ordinance. Legal Officers Ordinance (Amendment of Schedule) Order 1980.....	116
Public Health and Urban Services Ordinance. Public Health and Urban Services (Public Markets) (Designation and Amendment of Tenth Schedule) (No. 4) Order 1980.....	117
Summary Offences Ordinance. Summary Offences Ordinance (Exemption from Section 13) (No. 2) Order 1980.....	118
Summary Offences Ordinance. Summary Offences Ordinance (Exemption from Section 13) (No. 3) Order 1980.....	119
Public Health and Urban Services Ordinance. Hawker (Permitted Place) (No. 2) Declaration 1980.....	120
Public Health and Urban Services Ordinance. Declaration of Markets in Urban Areas.....	121
Inland Revenue Ordinance Inland Revenue (Interest Tax) (Exemption) (Amendment) (No. 2) Notice 1980.....	122

Sessional Papers 1979-80:

No. 53— Emergency Relief Fund—Annual Report by the Trustee for the year ended 31 March 1979 (published on 28.5.80).

No. 54— Report of the UMELCO Police Group 1979 (published on 28.5.80).

Agreements:

Loan Agreement (Ordinary Operations) (Second Sha Tin Urban Development Project) between Government of Hong Kong and Asian Development Bank, Project Agreement (Second Sha Tin Urban Development Project) between Asian Development Bank and Hong Kong Housing Authority dated 2 May 1980 and Letter of Assurance

Oral answers to questions

Computerization of transcription in court

1 DR. FANG asked:—*Will Government inform this Council of the progress made to modernize recordings in courts by the installation of computer aided transcription machines?*

THE ATTORNEY GENERAL:—Sir, there are only two companies, both American, which have designed computer aided transcription systems. One of the companies has only recently entered this new field and, following a visit by representatives of the company to Hong Kong, documentation about this system has now been provided and is being studied by the Data Processing Division. Documentation of the other system has also been obtained.

Following a paper evaluation of these two systems, it is proposed that a visit should be made to a user installation of both systems so that their effectiveness can be judged at first hand. A decision can then be taken whether either of the systems should be obtained for Hong Kong.

MR. PETER C. WONG:—*In the Attorney General's estimate how long can a decision be made?*

THE ATTORNEY GENERAL:—It is hoped to make a decision this year.

Illegal immigration by speedboats

2 DR HO asked:—*What measures are being taken to prevent highspeed motor boats from bringing illegal immigrants into Hong Kong?*

SECRETARY FOR SECURITY:—Sir, the measures fall into two categories:—

- (1) to identify and take pre-emptive action against those involved in the traffic; and
- (2) to intercept and, if possible, arrest the boat and those on board.

So far as the first measure is concerned intelligence on the activities of operators is being accumulated and several cases are before the courts. The Commissioner of Police has deployed additional resources to the Marine Police for this purpose.

To deal with the second category Marine Police, Royal Navy patrol vessels (including hovercraft), the Royal Marines assisted by helicopters of the Royal Air Force and Royal Hong Kong Auxiliary Air Force and by the Army, have been taking counter measures.

As a result of these two measures 20 speedboats have so far been seized and 84 persons from 13 boats have been arrested.

The Security Forces have reacted with their usual ingenuity and vigour to this new development. Operational techniques and tactics are being refined and tested and additional speedboats are being operated by our Forces to ensure the interception and arrest of suspect speedboats once they have been detected.

Members will not expect me, nor would it be appropriate for me to disclose our methods, nor the steps being taken to gain more information

on the syndicates involved. Some success is being achieved and already there are indications that this illicit and hazardous traffic is becoming more difficult for the operators.

DR. HO:—*How many of these seized speedboats have been confiscated by the Government, and will Government consider using them to strengthen the patrol in our waters against illegal immigration?*

SECRETARY FOR SECURITY:—Sir, as have said 20 speedboats have so far been seized and those which are suitable will be confiscated by the Government. Some have already been put into operation to counter this particular development.

Vehicle pick-up and set-down points at M.T.R. stations

3 REVD. JOYCE M. BENNETT asked:—*Will Government consider providing setting-down and picking-up points for taxis and private cars at all M.T.R stations?*

SECRETARY FOR THE ENVIRONMENT:—Sir, these facilities have already been provided at Admiralty, Kowloon Tong and Choi Hung Stations and they are also being planned at Kwai Fong and Tsuen Wan Stations on the Tsuen Wan Extension.

A survey is being conducted on the effect of the M.T.R. on taxi operations and, if this shows a demand for pick-up and set-down points at more stations, they will be provided where space is available.

REVD. JOYCE M. BENNETT:—*Sir, will this not encourage people living in Kwun Tong to continue to drive all the way into Central?*

SECRETARY FOR THE ENVIRONMENT:—Sir, I understand that most of the passengers who use the M.T.R. from Kwun Tong arrive by bus or by minibus, or on foot, and there are very few indeed who would use private cars or taxis.

REVD. JOYCE M. BENNETT:—*Sir, has any survey been made of the car drivers in Kwun Tong?*

SECRETARY FOR THE ENVIRONMENT:—No, Sir, not specifically.

Music education in secondary schools

4 REVD. JOYCE M. BENNETT asked:—*Will Government consider the appointment of music graduates to Government secondary schools and upgrading the level of teaching of music throughout all secondary schools?*

DIRECTOR OF EDUCATION:—Sir, Government secondary schools have not specialized in musical education to the degree that would warrant the appointment of graduate music teachers. A graduate teacher of music could be appointed to any Government secondary school which wished to develop music to a further extent.

A wide ranging plan for the further development of music is being prepared within the Government and this will include proposals for the improvement of musical education both in Government and in aided schools.

REVD. JOYCE M. BENNETT:—*Sir, who then decides which subjects are developed in Government secondary schools?*

DIRECTOR OF EDUCATION:—Sir, this is decided within the Department, but the individual heads of the schools do have a substantial say in the matter.

MR. WU:—*Sir, does the Government consider the present arrangement to require music teachers who have received specialist training in music to use more than 50% of class hours to teach other unrelated subjects as being commensurate with the plan to improve music education in schools?*

DIRECTOR OF EDUCATION:—Two things here must be distinguished, Sir. The first is the present use of teachers. Heads of schools all have difficult time-tabling problems. All, or nearly all, teachers will teach more than one subject and it is a matter of judgment and common sense as to how much you use an individual teacher on one particular subject. No doubt if the plans of which I have spoken mature we will find that specialist teachers of music will be more highly trained, and it would then become uneconomical to use them on anything else other than music.

REVD. JOYCE M. BENNETT:—*Sir, how many schools at the moment are able to provide courses in music leading to the Hong Kong Certificate of Education, the Higher Level examination, and I understand the Advanced Level examination in the future is considering offering music?*

DIRECTOR OF EDUCATION:—At present only a handful of schools, I haven't the exact numbers with me but I can say that only 260 pupils, if my memory serves, took the Hong Kong School Certificate in music last year.

REVD. JOYCE M. BENNETT:—*Sir, am I not correct that many of those students were coached by private tutors and did not take a course in their secondary schools?*

DIRECTOR OF EDUCATION:—That may well be so, Sir.

REVD. JOYCE M. BENNETT:—*My final question, Sir, when will this plan be finished and put into action for the improvement of music education both in Government and in aided schools?*

DIRECTOR OF EDUCATION:—The plan should be ready to be unfolded within 12 months but I cannot guarantee when it will come into full action.

Cross-harbour traffic

5 MR. WONG LAM asked in Cantonese:—

鑒於目前海底隧道之交通日益繁忙，造成擠塞，請問政府有何計劃予以改善？

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

In view of the congestion caused by the increasing traffic using the Cross Harbour Tunnel, does Government have any plans to improve the situation?

SECRETARY FOR THE ENVIRONMENT:—Sir, the situation in the Cross-Harbour Tunnel has somewhat improved since the opening of the M.T.R. across the harbour which has provided another fast cross-harbour link. Beyond that, in the short term, the only way to ease the congestion is to increase the Cross-Harbour Tunnel tolls and thus reduce the demand for its use, but there are certain difficulties with this idea (*laughter*).

In the medium and longer terms the Tunnel Company is considering ways of increasing the capacity of the existing tunnel and the Government has also commissioned consultants to examine the feasibility of additional harbour crossings. The first part of the Government's study is related to the Company's investigations and is concerned particularly with the capacity of the road system at both ends of the Tunnel to accommodate additional traffic.

The longer term Government study will be considering a number of options, including a western harbour crossing, a Lei Yue Mun bridge and the East Kowloon Line of the M.T.R. All of them will be evaluated in economic, financial, traffic and environmental terms to determine the optimum location for, and the form of, any additional crossing.

MR. WONG LAM asked in Cantonese:—

閣下，有關第二點建議：包括一條位於本港西南的海底隧道及橫跨鯉魚門大橋，請問何時可以實現呢？

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

Sir, as regards another crossing near Lei Yue Mun I wonder when this project will be implemented?

SECRETARY FOR THE ENVIRONMENT:—This option will be evaluated in the light of all the other options. The problem is, in constructing the Lei Yue Mun bridge, that you will have to have road connections at both ends. And

so certainly it would not be possible to have this connection before the east corridor road has been built to Shau Kei Wan, and it would then have to be extended to Lei Yue Mun to join up with the bridge, and this will take a few years. There is also the question of the demand for usage and it would appear that the major destination of cross-harbour traffic on the Kowloon side is to the west rather than to the east.

MR. PETER C. WONG:—*Sir, when will the consultancy report be ready?*

SECRETARY FOR THE ENVIRONMENT:—The first part should be ready in about three months, the whole report probably within 12 months.

Home ownership schemes for civil servants

6 MR. LO asked:—*Will Government inform this Council of the progress made towards the introduction of a scheme to enable eligible civil servants to purchase their own homes prior to retirement?*

SECRETARY FOR THE CIVIL SERVICE:—*Sir, it is now just one year since Executive Council approved the principles to be followed in drawing up schemes to assist permanent civil servants to achieve home ownership.*

Two such schemes have been drawn up. Under the first scheme, eligible civil servants would receive both a down-payment loan and a monthly home purchase allowance towards the cost of a private sector flat in Hong Kong. Under the second scheme, which would be primarily for overseas officers wishing to retire outside Hong Kong, pre-retirement loans would be available for the purchase of property overseas.

Since Executive Council's approval in May last year, extensive consultations have taken place throughout the civil service on all aspects of the proposed schemes. The views of individual staff associations and staff groups have been obtained through heads of department. At the same time detailed discussions have taken place with the three main staff associations which make up the staff side of the Senior Civil Service Council. Consultations are now almost finished and I hope to receive the final views of the main staff associations within the next ten days.

The consultations that have taken place over the past year have produced a wide measure of support for schemes along the lines of those proposed. Staff Associations have made various useful suggestions and I hope to be able to incorporate most of these in the substantive proposals which I expect to be in a position to put to Executive Council later this year.

MR. LO:—*Sir, what civil servants will be excluded on the grounds that they have retired too early to be benefited by the intended schemes?*

SECRETARY FOR THE CIVIL SERVICE:—If I understand Mr. LO's question correctly there will be no exclusion on grounds of proximity to retirement.

MR. PETER C. WONG:—*Sir, would the Secretary explain what is meant by eligible civil servants in paragraph 2?*

SECRETARY FOR THE CIVIL SERVICE:—Sir, one of the key factors on which we have been consulting the staff side are the criteria for the definition of civil servants to be eligible under these schemes. The staff side have made various suggestions for modifying the criteria of eligibility which formed the basis of the principles accepted by Executive Council last year, and I shall be recommending to Executive Council some modification. Until Executive Council has considered the final criteria I would rather not be more specific than that.

DR. HO:—*What are the views of Government in respect of the co-operative housing scheme as another alternative to assist civil servants to own their own homes?*

SECRETARY FOR THE CIVIL SERVICE:—Sir, Executive Council did not last year rule out further co-operative housing schemes provided ways could be found of overcoming the difficulties that have been experienced with schemes under the former arrangements. I believe that we are now finding solutions to those former difficulties and I think it possible that there will be scope for modified forms of co-operative housing scheme in future.

MR. CHEN:—*Is there a time table leading up to the ultimate implementation of this scheme?*

SECRETARY FOR THE CIVIL SERVICE:—No, Sir.

Pollution problems in industrial areas

7 MR. CHEN asked:—*Will Government make a statement on:*

- (a) the present state of industrial pollution in areas such as Kwun Tong and Tsuen Wan; and*
- (b) what immediate steps are being taken to alleviate pollution in general, and noise nuisance in particular, to industrial areas?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, may I have your permission to answer this question and question number 8 by Mr. So together?*

8 MR. SO asked in Cantonese:—

請問政府現正如何保障各工業區內工人及居民的健康，以免受到工業污染的影響？

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

Will Government say what steps it is taking to protect the health of workers and residents in Hong Kong's industrial areas from industrial pollution?

SECRETARY FOR THE ENVIRONMENT:—Sir, the limited amount of scientific monitoring that is carried out at the present time shows that pollution by sulphate compounds in areas such as Kwun Tong and Tsuen Wan is not particularly high for an industrial area. The information we have is, however, not sufficient to provide a really sound assessment of air pollution in these areas. The Government is therefore recruiting staff and ordering the scientific monitoring equipment needed to carry out the more comprehensive measurements of pollution levels that are needed. Whether or not these measurements show a need to reduce the levels of certain pollutants, it is clear for anyone to see that overcrowding, smells, filth and general untidiness have produced a most unsatisfactory environment in some of the older industrial areas such as Kwun Tong.

I should emphasize that it will not be possible to bring about the necessary improvements to environmental conditions solely by Government action because much of the problem arises simply from bad housekeeping by factory operators and others in these areas. What is needed is a joint effort between the people concerned and the relevant Government agencies. Following a discussion of this matter last week in the Environmental Protection Advisory Committee, I am considering a proposal to mount a publicity campaign aimed at bringing home to factory operators and others the need for good housekeeping and the contribution this can make to improving the environment in these areas.

For its part the Government seeks to protect the health of workers and residents in Hong Kong's industrial areas through enforcement of the Factories and Industrial Undertakings Ordinance and the Clean Air Ordinance. The Factory Inspectorate and the Smoke Inspectorate of the Labour Department are responsible for implementation of this legislation. The staff concerned carry out measurements of air pollution levels in factory environments to ensure that levels are within acceptable limits as well as pursuing a programme of advice and education to reduce noise levels within factories.

As regards Kwun Tong in particular, Sir, I should add that, following a recent report by the Christian Industrial Committee on environmental problems in this area, the Environment Sub-Committee of the Kwun Tong District Management Committee has formulated a plan of action to improve conditions in the District. Its main elements involve the sort of self-help measures to which I have already referred.

MR. CHEN:—*Since it is recognized that the joint effort between people concerned and the relevant Government agencies is essential to set up a better environmental condition, are there consultative machineries being set up for this purpose?*

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir, we have as I said the Environmental Protection Committee, and under this Committee there are four special committees considering particular aspects such as noise, air pollution water, land and legislation. The main E.P.C.O.M. Committee which I chair meets once a month usually, the special committees I would say each one average about once every two months; so these matters are under continuous surveillance. There is also as I said in the districts, certainly in the Kwun Tong district, where we have the District Management Committee. As I have said they have begun to take an initiative already in their Environment Sub-Committee.

MR. SO asked in Cantonese:—

閣下，各工業區內，工人及居民因為受到工業污染影響而染上疾病，最普遍是那幾種？

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

The residents and the workers of the industrial areas have been prone to industrial diseases. What are these common diseases?

SECRETARY FOR THE ENVIRONMENT:—I am afraid I am not well informed on this. Perhaps my friend the Director of Medical and Health Services may enlighten us (*laughter*). I know pneumoconiosis is a serious disease amongst some workers in Hong Kong, but I think those are probably specialist workers. Otherwise I should imagine that in Hong Kong now the pattern of disease is not really very much different from any normal developed country, mainly heart disease and cancer and things like that.

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—There are no actual records of the different types of diseases under reference, but I think the Secretary for the Environment is correct in saying that we are no different from any other similar industrial city, which means that such diseases if any will probably be cardio-vascular and lung respiratory diseases.

DR. HUANG:—*Since a good many of the pollutants these days cannot be described scientifically as 'smokes', is not the term 'Smoke Inspectorate' a little obsolete (laughter)?*

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir, I think this will be changed when we have the new Air Pollution Bill which I will be bringing forward in the next few months, I hope. When we have more fundamental controls over air pollution, and it would not just be smoke, it will be other pollutants as well.

MR. PETER C. WONG:—*May I ask the Secretary of the Environment what legally is meant by 'clean air' (laughter)?*

SECRETARY FOR THE ENVIRONMENT:—Sir, I am not an expert at legal definitions, I am afraid I can't answer that. I will consult with my legal colleagues (*laughter*), and will let Mr. WONG know.

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY.)

I have been informed by the Legal Department that there is no legal definition of clear air, either in Hong Kong legislation or in U.K. legislation.

It seems that 'clean air' is whatever one defines it to be. The Air Pollution Control Bill 1980, which will come before Legislative Council during the current session, will provide for Air Quality Objectives to be set for various zones of Hong Kong and clean air will, by definition, be air whose quality meets those objectives. As the objectives are likely to vary from zone to zone, so will the composition of air which is acceptable as 'clean'.

I am sorry that I cannot be more precise at the present time but, once we have a comprehensive set of Air Quality Objectives established for Hong Kong, the situation should, hopefully, become more clear.

Air pollution—gas incident in Kwai Chung

9 DR. HUANG asked:—*Has Government the expertise to identify toxic gases and fumes which might be present in the atmosphere and to take effective measures to counter these health hazards?*

SECRETARY FOR THE ENVIRONMENT:—Sir, I take it that this question is prompted by the recent incidents in which school children in the Kwai Chung area were taken ill after apparently being exposed to a noxious gas in the atmosphere.

These sort of incidents are investigated by the Air Pollution Control Unit of the Labour Department and it can call on the help of the Government Laboratory, which has the expertise to analyse any air samples taken in order to identify the nature of the gas or gases in question. The problem usually is that very often the air pollutants involved have dispersed by the time the Air Pollution Control Officer is able to take a sample for analysis.

In this particular case, therefore, I arranged a meeting yesterday of representatives from all the Government departments involved, that is the Labour, Fire Services, Education and Medical and Health departments, the Government Laboratory and the Police to discuss what had been done so far to identify the nature of the gas and its source and to consider what further

investigations could be undertaken and what additional safeguards could be introduced. The meeting was chaired by my Principal Environmental Protection Officer (Air Pollution). The conclusions it reached are contained in a press release which was issued last night, a copy of which I am circulating with this reply (*appendix*).

Honourable Members will see from this that a possible source of the trouble was tear gas fired at the Police Firing Range at Smuggler's Ridge in particular circumstances of prevailing wind and atmospheric conditions. Although this cannot, as yet, be confirmed, it has been decided, as a precautionary measure, that no further exercises involving the firing of tear gas will be conducted at Smuggler's Ridge pending additional investigations of the incidents and a review by the Police of their operational procedures.

Further precautions will also be taken, including the drawing up of a full inventory of potentially polluting emissions in the locality of the affected schools and additional tests by the Government Laboratory in the classrooms concerned to see if there are any traces of obnoxious gases present.

In the longer term the new Air Pollution Control Bill, which I hope to introduce into this Council before long, will provide additional safeguards, including detailed monitoring of air quality by the Environmental Protection Unit and, based on their findings, the stepping up of enforcement action against unacceptable pollution of the atmosphere.

Appendix

PRESS RELEASE ISSUED ON 27 MAY 1980

Government is to take precautionary measures to try to prevent a recurrence of the mysterious gas incident in Kwai Chung recently which left a number of school children ill.

A meeting of various departments was held today (Tuesday) to receive reports on the incidents of May 6 and May 22.

At the meeting, chaired by an officer from the Environment Branch, representatives from Labour, Fire Services, Education and Medical and Health departments, together with representatives of the Government Laboratory and the Royal Hong Kong Police, presented the results of investigations conducted so far.

A spokesman said that detailed site investigations within a half mile radius of the schools by the Labour and Fire Services departments could not identify positively the source or the nature of any gas that might have been involved.

'While tear gas was fired at the Smuggler's Ridge firing range on May 6, it was confirmed by the Police that no such exercise had been undertaken on May 22,' said the spokesman.

He added: 'However, because the possibility of tear gas could not be ruled out, at least on May 6, neither from considerations of the symptoms exhibited by the school children nor from consideration of the prevailing wind, it was confirmed that as a precautionary measure no arrangements had been made for further exercises at Smuggler's Ridge.'

At the same time, said the spokesman, the Labour Department would remind local factories of their obligations to arrange for proper and safe disposal of potentially toxic or dangerous materials.

The Labour Department will also prepare an inventory of polluting emissions in the locality of the affected schools.

It was agreed too that scientists from the Government Laboratory would conduct tests in the classrooms of the affected schools to see if there were any traces of potentially noxious gases which could be attributed to activities in the vicinity.

This work will be conducted in conjunction with the Education Department so that 'finger print' of classrooms can be provided by a system of regular sampling.

The spokesman said this would ensure that should there be a recurrence more information would be available which hopefully would enable any noxious gas to be identified unambiguously.

In the longer term the Environmental Protection Unit of the Environment Branch would examine the dispersion of pollutants in the Kwai Chung area with particular reference to the need, or otherwise, for specific regulations under the new Air Pollution Control Bill which is at an advanced stage of drafting.

DR. HUANG:—*When may we expect this new bill to reach this Council?*

SECRETARY FOR THE ENVIRONMENT:—I would say, Sir, in the early part of the next session, hopefully before Christmas.

Contract hire car permits

10 MR. CHEUNG:—*May I have your permission under Standing Order No. 17(4) to ask two questions. The first of which is:—In the light of enabling legislation enacted in 1977 to provide for the issue of permits, inter alia, to owners of private cars to carry children to and from schools and kindergartens, and the policy stated in the White Paper on Internal Transport Policy published in May 1979 to eliminate pak pai operations, have any such permits been issued, and if not, what has been the cause of the delay, and when can this Council expect such permits to be issued?*

SECRETARY FOR THE ENVIRONMENT:—Sir, the enabling legislation referred to by Mr. CHEUNG provided for the issue of contract hire car permits to owners of private cars who applied and met certain conditions. It also provided for the establishment of a Transport Tribunal to, *inter alia*, hear appeals against the withdrawal or suspension of such permits for breach of conditions of permit.

For various technical reasons it was not possible to implement this legislation without further amendment which, in the event, proved to be difficult, both conceptually and in terms of legal drafting. I am pleased to say, however, that we think these difficulties have now been overcome. So proposals will therefore be placed before Your Excellency in Council in the course of this summer with the aim of introducing amending legislation into this Council early in the next session.

The aim will essentially be to regularize pak pai operations of good and established standing and one of the categories to be provided for will be school services.

Private light bus for school children

11 MR. CHEUNG asked:—*My second question is: Are private light buses now licensed to carry children to and from schools and kindergartens apart from any other passengers they may lawfully carry?*

SECRETARY FOR THE ENVIRONMENT:—Sir, private light buses are not licensed to carry children to and from schools and kindergartens. The vehicles to which Mr. CHEUNG refers, which are usually Toyota HIACE models, are licensed as private cars.

If these vehicles are run by schools or kindergartens to carry children then they are not illegal. If, on the other hand, they are run by private operators and charge a fare they become pak pais and are illegal.

MR. CHEUNG:—*Sir, when were these licences first issued to HIACE models?*

SECRETARY FOR THE ENVIRONMENT:—Sir, they receive no other licence than a private car licence. They are not large enough to be considered a van or a light bus, and so they have a private car licence. If they are purchased by a school and used for the transport of their children to and from school then this is perfectly legal. The same as if any private citizen did the same thing for their friends' children. But as I said if a fare is charged then they become pak pais.

MR. CHEUNG:—*If a fare is merged in school fee, that will be legal, but it will be illegal if separately charged, is that the Secretary's answer?*

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir, that is the way the road traffic legislation works. They are not allowed to charge fares separately per seat but they are allowed as a school to add it to their fees or to make a charge per month for the carriage of these children.

REVD. JOYCE M. BENNETT:—*Sir, are there any limitations on the number of children carried in these little vans?*

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir. Under the Construction and Use Regulations of the Road Traffic Ordinance this category of vehicle may carry eight adults or 12 children under three feet in height (*laughter*). That is a ratio of three children to two adults or an appropriate mixture of the two (*laughter*). A number of these vehicles have been carrying in excess of 12 children and are accordingly considered dangerous by the Police and warnings are being issued to the drivers.

REVD. JOYCE M. BENNETT:—*Having seen over 60 children get out of such a vehicle (laughter), may I ask how many prosecutions there have been?*

SECRETARY FOR THE ENVIRONMENT:—Sir, I don't know how many prosecutions, I will find out and ask, but I should imagine it would be virtually impossible to pack 60 children into one of these vehicles. I am told that it is quite usual to see 18 children get out of one of them.

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY.)

I have been advised by the Police Traffic Headquarters that precise information is not available because, although they have records of prosecutions for overloading under the three categories of private cars, goods vehicles and 'others', the type of overloading is not specified. Apparently, no machinery exists to extract details of those cases which involved amah-driver vans (which may be variously registered as private cars, light goods vehicles or private light buses). But I understand that in the school summer term, which is the period under consideration, the action taken against amah-driver vans usually comprised no more than warnings and prosecutions were brought only in extreme cases.

Since then, you will no doubt be aware that a new scheme of school hire cars came into operation at the start of the September term. Permits have been issued for 1,460 seven-seater private cars or light vans which are allowed to carry up to twelve children under existing regulations. Proper insurance cover can also now be taken out for amah-driver van operations and drivers are required to have held a driving licence for at least three years to ensure that the vans are driven by persons of some experience. These measures, and

continued police vigilance against any further instances of overcrowding, reflect the Government's concern that the new scheme will be operated with the safety of the children as a primary consideration.

MR. PETER C. WONG:—*Would the Secretary explain the difference between a school charging a fee monthly and charging per trip for carrying these students?*

SECRETARY FOR THE ENVIRONMENT:—Well it is the difference between one and the other, Sir (*laughter*). One is not illegal and the other is.

Statement

Report of the UMELCO Police Group 1979

SECRETARY FOR SECURITY:—Amongst the papers laid on the table this afternoon is the third report of the UMELCO Police Group for 1979.

The Group was established in September 1977 to monitor and review the handling by the Police of complaints from the public, to review statistics of the types of conduct by Police officers which lead to complaints, to identify fault in Police procedures which might lead to complaints and to make recommendations to the Commissioner of Police and the Governor when appropriate.

The 1979 Report provides a body of evidence to show the Group continues to play a most effective and increasingly experienced role in monitoring the handling of complaints against the Police. I again pay tribute to the methodical and thorough way in which the Group carries out its work.

This year I do not propose to dwell on the individual findings in the report in any detail, but rather to expand on an important element in the procedures for handling complaints.

When the present arrangements were established three years ago very careful consideration was given to the choice of the investigating body to examine complaints and of the body to monitor them. So far as the former is concerned it was decided that Hong Kong should follow the British practice and in doing so underline the important principle that the responsibility of the Commissioner for discipline within the Force should be maintained. The Police are therefore entrusted with the responsibility for investigating the cases of complaint. Where prima facie breaches of the law are disclosed the Attorney General's prerogative to initiate a prosecution remains unfettered. In other cases where breaches of discipline have occurred the Commissioner is responsible for initiating action under the disciplinary code. Finally the monitoring procedure recognizes the position of UMELCO as the constitutional channel through which the public should submit complaints about all branches of the public service.

As I have said, our system is roughly parallel with that followed in the United Kingdom, except that, as the Group observes in paragraph 24 of its Report, our monitoring body's terms of reference are wider than its UK counterpart's. The Group reviews every single case and in addition operates a system of random spot checks on complaint case files. These checks involve a detailed review of all statements and of the conclusions drawn from them. In the event of UMELCO requiring clarification of any points the case is referred back to C.A.P.O. for further investigation, or other appropriate action.

To provide a reliable and effective unit within the Police Force fully familiar with Police procedures and instructions, the Commissioner of Police continues to give high priority to the staffing of the Complaints Against the Police Office with officers of the highest calibre. The Report shows how active this Office has been during the year.

The foregoing does not mean that the system is perfect, as I am sure the Police Group and the Commissioner of Police recognize. It is however fair, workable and effective. It is not the intention to make any substantial changes in the arrangements, though those operating them are always on the lookout for improvements to secure greater efficiency and the more rapid but nonetheless fair and thorough examination of each complaint.

2,298 investigation reports, covering 2,881 separate points of complaint, were examined during the course of the year. 370 points of complaint were found 'substantiated'. A further 212 were classified as 'not proven' meaning that careful investigation had failed to adduce facts to warrant classification as 'substantiated' or 'unsubstantiated'. Positive action, ranging from the institution of criminal proceedings, to disciplinary action, to advice and warnings, was taken in respect of 312 Police officers—hard evidence of the effectiveness of both the Group and C.A.P.O. A total of 1,779 points of complaint were classified as unsubstantiated, a further 22 were malicious and 498 were withdrawn.

In pondering these figures and especially the number classified as unsubstantiated, one must remember that before any action can be taken it is necessary to prove that the complaint is well founded. Where, as is often the case, it is one man's word against another's this may be difficult to do. In these circumstances the task of any investigator to ascertain the truth is not easy. And I should add that this problem occurs regardless of who the investigator may be, or of the service or force from which he is drawn. In coming to his conclusion any investigator can only sift the evidence and measure it against the credibility of those involved.

The Group viewed the year as one of consolidation, with further refinements of working procedures and sharpening attention to detail. The fact that the number of complaints made direct to C.A.P.O. or other Police formations increased by 17% in 1979 as compared with 1978, indicates that the

public is making use of this procedure and would appear to have increased confidence in it. It says much for the mutual respect in which the procedure is held that the Group acknowledges the essential co-operation and assistance received from the Police. It is the intention of all of those involved to build on the steady and encouraging progress made over the last two and a half years.

Government business

Motions

MASS TRANSIT RAILWAY CORPORATION ORDINANCE

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

- | | |
|---|--|
| ‘31. Loans arranged by Lazard Brothers & Co. Ltd. to refinance contracts placed in the U.K. | 545,447,000.00 Hong Kong Dollars and such amounts as may become payable in respect of interest including deferred interest, provided that the liability of the Government under the Guarantee in respect of deferred interest shall be limited to 14,708,000.00 Hong Kong Dollars.’. |
|---|--|

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

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

Item 24 of the Schedule to the Resolution of this Council published in the *Gazette* as Legal Notice No. 242 of 1975 is in respect of loans arranged by Lazard Brothers and Co. Ltd. to finance contracts placed in the United Kingdom.

Two guarantees are involved. One is for the supply of 150 cars for the Tsuen Wan extension in a sum of ninety-five million U.S. dollars and the other is for the power supply to the Tsuen Wan extension in a sum of sixteen million U.S. dollars.

The contract prices are, and will continue to be, expressed in U.S. dollars and the export credit financing was originally arranged in U.S. dollars. It was

agreed with the contractors that, whenever the contracts could be financed on terms acceptable to the lenders, the U.K. Export Credit Guarantee Department and the Mass Transit Railway Corporation, in Hong Kong dollars rather than U.S. dollars then the switch to Hong Kong currency should be made.

Such possibility has now occurred and the Corporation wish to undertake the loan switch because of the advantage, for themselves and for the Government, of excluding the exchange risk during the loan repayment period.

Accordingly, the Corporation will repay the U.S. dollar amounts already drawn by means of a drawdown from the new loan and Hong Kong dollar loans will be established for this repayment and for the remaining contract payments. The amount of the Hong Kong dollar loans for which a guarantee is required is five hundred and forty-five million, four hundred and forty-seven thousand dollars and such amounts as may become payable in respect of interest and other charges including deferred interest, provided that the liability of the Government under the guarantee in respect of deferred interest shall be limited to fourteen million, seven hundred and eight thousand Hong Kong dollars. Because this is a loan switch arrangement there will be a short period when both guarantees, the existing guarantee for the U.S. dollar loan and the new guarantee for the Hong Kong dollar loan, are extant.

If honourable Members make this resolution, the Government's total guarantee commitment in respect of the principal of loans available to the Mass Transit Railway Corporation will amount to eight thousand three hundred and fifteen million Hong Kong dollars. This contingent liability is provided for within our fiscal reserves.

Sir, I beg to move.

Question put and agreed to.

TELEPHONE ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—That the Schedule to the Telephone Ordinance be amended in Part VI by adding after item 2 the following—

- | | |
|---|--|
| ‘3. Local conference call | \$10 per party per 15 minutes or part thereof. |
| 4. International conference call | |
| (a) Originating party | \$30 per conference call. |
| (b) Party in another country | Person to person international call charge. |
| (c) Distant administration's connexion charge | Charge as set by that administration. |
| (d) Additional parties in Hong Kong | \$10 per party per conference call.’ |

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

The Hong Kong Telephone Company hopes to introduce what it calls a ‘Conference Call Service’ in the near future. This new service will enable up to eight telephone lines to be connected in a so-called ‘conference mode’. These lines may carry either Hong Kong traffic, international traffic or a combination of both, so that a participation subscriber may speak simultaneously to as many as seven different parties in Hong Kong or abroad. This new service should prove a useful facility for business subscribers.

The Postmaster General has assessed the charges the Telephone Company propose for the ‘Conference Call Service’ and he considers them fair and reasonable. The purpose of this motion is to seek the approval of this Council to amend Part IV of the Schedule to the Telephone Ordinance, which specifies the charge for private branch exchange and associated equipment, to include the charges proposed for the new service as detailed in the Resolution.

Sir, I beg to move.

Question put and agreed to.

LANDLORD AND TENANT (CONSOLIDATION) ORDINANCE

THE SECRETARY FOR HOUSING moved the following motion:—That section 10(1) of the Landlord and Tenant (Consolidation) Ordinance be amended—

- (a) in paragraph (a), by substituting ‘6’ for ‘4’; and
- (b) in paragraph (b), by substituting ‘12’ for ‘8’.

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

Under section 10(8) of the Landlord and Tenant (Consolidation) Ordinance as amended in June 1979, this Council may by resolution vary the permitted rents payable for pre-war premises subject to rent controls under Part I of the legislation.

This motion seeks to increase the permitted rents of:

- (a) pre-war domestic premises—from the existing level of 4 times the standard rent (that is, the rent passing in 1941) to 6 times the standard rent; and
- (b) pre-war non-domestic premises—from the existing level of 8 times the standard rent to 12 times the standard rent

subject, in both cases, to the permitted rent not exceeding the fair market rent as is provided for by section 9A of the Ordinance.

In November 1978, Government agreed to pursue a policy of allowing annual increases in the permitted rents of pre-war premises in order to mitigate the restrictive nature of static rent controls. In particular, it is the declared policy of this Council to decontrol pre-war business premises on 1 July 1984. This is already provided under Part I of the Ordinance.

There are about 12,000 units in pre-war buildings, 60% (or 7,100 units) of which are effectively subject to the Part I controls. The balance (4,900 units) is either occupied by owners, specially excluded from controls or let at rents at or approaching market levels. The proposals in the Resolution will have little effect on the rents payable by tenants of premises which are not effectively subject to controls.

Despite annual increases since 1976, average permitted rents of premises, subject to the Part I controls, still stand at about 15%—20% of fair market rents. This is due to the very low base on which rent increases are calculated and to increased market rental levels over the past two years. Unless further increases are allowed, the gap between existing rents and market rents is not likely to be reduced.

Domestic Premises

It is recommended that the recoverable rents of domestic premises should be 6 times the standard rent. For a typical upper tenement floor shared usually by about 3 families, the proposal will result in an average increase of less than \$70 per month, bringing the rent from about 15% to 22% of its market rent. About 4,900 domestic units in pre-war buildings are likely to be affected by this proposal.

Non-domestic Premises

In order to bring rents of non-domestic premises closer to market levels by 1984, it is recommended that the recoverable rent should be 12 times the standard rent. For a typical commercial ground floor tenement floor, the average increase will be under \$300 per month, bringing the rent from about 20% to 30% of its fair market rent. About 2,200 non-domestic units are likely to be affected by this proposal.

The increases are small in actual cash terms and represent another small step in Government's policy of loosening these rigid and outdated controls which have been in force for over 30 years. In the case of public assistance recipients, any increase in rent will be matched by refunds from Government.

If the proposals are approved by this Council, landlords will be required to serve one month's notice of the increased rents to their tenants.

Sir, I beg to move.

Question put and agreed to.

First reading of bills**STAMP (AMENDMENT) BILL 1980****BUSINESS REGISTRATION REGULATIONS (AMENDMENT) BILL 1980****INDEPENDENT COMMISSION AGAINST CORRUPTION (AMENDMENT) BILL 1980****PREVENTION OF BRIBERY (AMENDMENT) BILL 1980****MONEY LENDERS BILL 1980**

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

Second reading of bills**STAMP (AMENDMENT) BILLS 1980**

THE CHIEF SECRETARY moved the second reading of:—‘A bill to amend the Stamp Ordinance’.

He said:—Sir, I move the second reading of the Stamp (Amendment) Bill 1980.

The Bill seeks to raise, in recognition of the much higher price of domestic flats now, the limit for the concessionary *ad valorem* rate of duty of 1% in respect of conveyance on sale and voluntary dispositions of immovable property, as proposed by the Financial Secretary in paragraphs 202-204 of this year’s Budget Speech. *Clause 2(a)* of the Bill amends Head 19(1) of the Schedule to the principal Ordinance by raising the limit from \$175,000 to \$250,000 in respect of conveyances on sale of immovable property. *Clause 2(b)* of the Bill amends Head 53(1) of the Schedule by raising the limit from \$175,000 to \$250,000 in respect of voluntary dispositions again of immovable property.

The provisions of the Bill have been effective since 28 February 1980 as a result of an Order made by Your Excellency under the Public Revenue Protection Ordinance. The estimated cost to the revenue in 1980-81 is \$67 million.

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

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

Question put and agreed to.

BUSINESS REGISTRATION REGULATIONS (AMENDMENT) BILL 1980

THE FINANCIAL SECRETARY moved the second reading of:—‘A bill to amend the Business Registration Regulations’.

He said:—Sir, I move the second reading of the Business Registration Regulations (Amendment) Bill 1980.

This Bill seeks to increase the fee prescribed for the issue of a certified copy of documents, or certified extracts from them, under section 19 of the Business Registration Ordinance from \$15 to \$30. The Financial Secretary proposed this increase in his Budget Speech (see paragraph 261 of the printed version).

As a result of an Order made by Your Excellency under the Public Revenue Protection Ordinance, the provisions in the Bill have been in effect since 28 February 1980.

The estimated additional yield to the revenue from the revised fee is \$1.5 million for 1980-81.

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

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

Question put and agreed to.

INDEPENDENT COMMISSION AGAINST CORRUPTION (AMENDMENT) BILL 1980

THE ATTORNEY GENERAL moved the second reading of:—‘A bill to amend the Independent Commission Against Corruption Ordinance’.

He said:—Sir, I move the second reading of the Independent Commission Against Corruption (Amendment) Bill 1980.

This Bill is allied to the Prevention of Bribery (Amendment) Bill and is concerned with making a number of amendments of a practical nature arising out of the experience gained by the Commission since the main Ordinance was amended since four years ago in 1976.

The main Ordinance defines the offences for which the Commission's officers may exercise their powers of arrest. These fall into two groups. Those offences which the Ordinance requires the Commission to investigate—corruption offences that is—and certain other offences which may be uncovered during an investigation.

The Bill proposes to add to these categories of offence. First, it is proposed to give Commission officers the power of arrest in cases involving blackmail committed by Crown servants by or through the misuse of their office. This offence is very closely related to corruption as such and it is clearly desirable that it should be brought within the Commission's range of duties. Other types of blackmail, I would stress, will remain the responsibility of the Royal Hong Kong Police.

The second feature is that two offences are often uncovered during an investigation into corruption, namely theft and false accounting. At present if these offences come to light during an investigation, the Commission officers cannot make an arrest on the spot. This is, I would suggest, not very sensible and accordingly, these two offences are added to the list of other offences for which the Commission's officers may arrest without warrant.

When a person has been arrested under the Ordinance he is usually taken to the offices of the Commission. Once there he may either detained or be released on bail, the decision being taken on the authority of an Assistant Director of the Commission. Experience has shown that setting the level for this decision at that rank is placing it somewhat too high and it is proposed to lower the level of authority to Senior Commission Against Corruption Officer, and this I would stress is still a very senior rank and is the equivalent of a Senior Superintendent of Police.

A further proposal in the Bill is concerned with the setting up of a welfare fund for officers working in the Commission. This fund will follow the well-established pattern of welfare funds set up for the disciplined services of the Government.

The other matters are dealt with in the Bill are related to amendments proposed in the Prevention of Bribery (Amendment) Bill which, Sir, I hope to speak in a moment.

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

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

Question put and agreed to.

PREVENTION OF BRIBERY (AMENDMENT) BILL 1980

THE ATTORNEY GENERAL MOVED THE SECOND READING OF:—‘A bill to amend the Prevention of Bribery Ordinance’.

He said:—Sir, I move the second reading of the Prevention of Bribery (Amendment) Bill 1980.

It is now some 4 years since the Prevention of Bribery Ordinance was last subject to a major review. In that time the Independent Commission Against Corruption has found that some of the provisions of the Ordinance have limitations which militate against the proper performance of its duties. These provisions are concerned mainly with the Commission’s investigative powers. Experience has also shown that some of the penalties for the more serious corruption offences are now on the low side, having regard to the effects of inflation and also to the very considerable rewards that corruption can bring. In other areas, amendments to the law are considered necessary in order to give statutory protection to informers and to give the courts powers to limit the employment of persons convicted of serious corruption offences in some circumstances.

So, Sir, the Bill represents a refurbishing of the law, which practical experience has shown to be necessary.

I turn now to the detailed proposals. Clause 2 of the Bill introduces a new definition of ‘banker’s books’ and ‘document’ and amends the definition of ‘company’s books’. The Commission has under the Ordinance the power to investigate and inspect banker’s books and company books. This is an important power for the Commission, for an investigation by the Commission into an alleged corruption offence frequently leads to examining bank and company books. But the present definitions are limited to what can loosely be described as books of account. Experience has shown that vital information may be contained in other documents in the possession of a bank or company, but which, at present, cannot be made the subject of the Commission’s powers of investigation. That experience has led to the amendments in clause 2. The new definition of ‘document’ is concerned with computer records and applies to both banks and companies. This simply recognizes the fact that computers and their records are now in widespread use throughout the commercial community.

Clause 3 of the Bill amends section 4 of the main Ordinance in two respects. Section 4 makes it an offence for a public servant (that includes civil servants) to solicit and accept, without lawful authority or reasonable excuse, any advantage as an inducement to abuse his official position or as a reward for having abused his official position, in a number of ways. The section does not, however, refer to solicitations or acceptances outside Hong Kong. This means that an advantage which was neither solicited nor accepted here in Hong Kong cannot be the subject of a prosecution. This

situation is so obviously unsatisfactory that I don't think I need to dwell further upon it. Suffice it to say that clause 3 amends section 4 to counter the problem.

The other amendment to clause 4 will enable the management of public bodies to give appropriate limited permission in writing to their employees to accept advantages which relate to their employment, when in the judgment of the management it is right so to do. I should add that, should this proposal become law, all scheduled bodies will be requested to send to the Commissioner copies of any instructions that they do in fact issue to their employees.

As I mentioned earlier, Sir, the penalties for various offences have been reviewed. These penalties have remained unchanged since 1974. Since that time there has been an erosion in the value of money, which has reduced the punitive effect of the maximum fine. There has also been ample proof brought before the courts that the rewards of corruption are vast, perhaps far more than was generally realized at the time the penalties were last reviewed in 1974.

Clause 4 therefore increase substantially the maximum fines which may be imposed for various offences under the Ordinance, whilst leaving the maximum terms of imprisonment as they presently stand, because these are regarded as adequate at the moment.

Investigation by the Commission reveals many corrupt acts taking place as part of a general conspiracy amongst a number of persons over a period of time. There may be within these conspiracies numerous acts of corruption but it is often difficult, if not impossible, to isolate specific corrupt acts from the overall conspiracy, when they have taken place over a lengthy period. Witnesses in practice often, as one might expect, find it impossible to remember dates, times, exact words used on particular occasions sometimes some time before, because the acts of corruption may be numerous, repetitive and spread over long periods.

In these circumstances, it is frequently impossible to bring a prosecution under the Prevention of Bribery Ordinance. Instead a charge is brought under the common law, which means that the penalties provided for offences under the Ordinance are not applicable even though the reason for the existence of the conspiracy was in fact corruption.

Clause 5, therefore, creates a new section 12A providing that any person who is convicted of conspiracy to commit a corrupt act or an offence under Part II of the Ordinance should be dealt with and punished as if he were convicted of a Part II offence. The new section will also enable the Commission's officers to use the powers of investigation under Part III of the Ordinance when they are investigating a conspiracy to commit a corruption offence.

Investigations into suspected corruption offences are painstakingly carried out and, because of the very nature of the offences, they are often protracted.

Section 14 of the Ordinance gives Commission officers the power to require suspects and other persons to supply relevant information. A suspect need only answer questions directed at him by a written notice in respect of a period of one year immediately preceding the date of the notice. It has been found in practice that this limit of one year seriously hinders investigation. By the time the case has been reported, or has otherwise come to the notice of the Commission, and the investigation has proceeded to the point of serving a section 14 notice on the suspect, the period of one year often has long past. Clause 6, therefore, extends the period of limitation from one to three years.

In a related amendment, the Commission is to be given the power to seek information which is not only in the possession of the person from whom it is sought, but also to which he also has access and over which he has power and control.

Sections 14A and 14C of the Ordinance imposes restrictions on the disposal of property by persons under investigation and also by other people who may be holding property for a suspect.

A number of changes are to be made to these sections. The first is to remove the doubt as to whether or not a suspect can draw money from his bank account, when he is subject to a restriction under section 14A. The second amendment makes notices under section 14A and court orders under section 14C registrable in the Land Office. This means that the person who is proposing to buy, say a flat or a house from a suspect or from a third party who is holding property for a suspect, will in fact be alerted to the dangers of buying the property, and thus the innocent purchaser will be able to take steps to protect himself prior to the commitment to purchase.

The third amendment enables the Commission to apply to the court for extensions of a section 14C order. At present, such an order cannot be extended beyond 9 months unless a prosecution has been brought. Investigations into assets requiring the issue of a section 14C order necessarily are often protracted, and experience has shown that a period of 9 months is not adequate.

Considerable difficulty has been experienced by the Commission's officers during authorized searches of premises under sections 16 and 17 because, as the law now stands, they are unable to detain anyone found on the premises. Despite their lawfully having gained entry investigating officers can only request persons found on the premises to remain while the search is carried out. If these persons insist on leaving immediately, they must be and are allowed to do so unless the officers have sufficient reason to suspect them of an actual offence and sufficient information and so on to arrest them. And sometimes such persons leave with the one and only object of warning others of the search so as to frustrate the object of the search and related searches that may be taking place.

It is considered desirable for Commission officers to be able to restrain persons found in places being searched, for only thus can an effective search be guaranteed. Although there may be exceptions, it is unlikely that anyone would be detained for more than a maximum of perhaps two to three hours during any search.

It is vital for the Commission to have the confidence of the public that, when they make complaints or give information to it, their identity will not be disclosed without their consent. From the inception of the Commission, the confidentiality of reports made to the Commission has been stressed. The Commission also takes steps to protect the identity of complainants and informers for as long as they wish.

Clause 11 of the Bill will now give legal force to this policy.

Clause 12 extends the time limit for bringing prosecutions in a Magistrate's Court for certain offences under the main Ordinance. At present, prosecutions for these offences must be brought within six months from the time the offence occurred. Once again, experience has shown that, having regard to the time which often elapses before the offences come to light, it is necessary to extend the time limit.

The final proposals in the Bill, apart from a minor amendment to the Schedule, are concerned with the restriction on membership of public bodies or employment.

Section 33 of the Ordinance disqualifies any person who has been convicted of an offence under Part II of the Ordinance (i.e. the corruption offences) from being a member of the Executive, Legislative or Urban Councils or any other public body for seven years from the date of his conviction. The reference to 'other public body' includes the public bodies specified in the Schedule to the principal Ordinance.

It had been thought that the disqualification would prevent a convicted person from being employed by a scheduled public body. But it is now clear that this is not so. Moreover it now appears that the words 'member of ... a public body' mean, in the case of those scheduled public bodies that are companies having a share capital, a person owning shares in such public bodies. It was never intended that section 33 should prevent a convicted person from being a share-holder in a public body and, consequently, clause 14 amends that section by excluding from the disqualification membership of a scheduled public body.

Concurrently however with that amendment, it is proposed to add a new section which will empower the courts to prohibit the employment of convicted persons either in a senior position in a particular business or a class of business where the courts consider it to be in the public interest to do so. This power will restore what was thought to have been the intention in regard to public bodies and will also extend it to cover the private sector.

Clause 15 adds a new section 33A to the principal Ordinance. This provides that where a person has been convicted for Part II offence a court may, if it considers it to be in the public interest so to do, prohibit that person from taking or continuing employment with such employer or class of employer as it may determine. An order will be valid for such period as the court thinks fit but cannot exceed seven years. The prohibition will not apply, and I stress will not apply, to all employment as such, but only to employment as a director, partner or manager, or some other managerial position in the senior rank. A contravention of an order will be an offence punishable with a fine of up to \$50,000 and to imprisonment for up to 12 months. During the life of an order, a person affected by it may apply to the court to have it varied or cancelled. On the hearing of an application the court will consider all the circumstances, including any change in the applicant's circumstances. The offence created by the new section 33A will be triable summarily and would, therefore, be subject to the six months limitation I have just mentioned. However, having regard to the nature of the restrictions imposed under section 33A, it is considered likely that the discovery of an offence could take place after this period. It is proposed, therefore, to extend the period of limitation to three years.

I anticipate that applications to a court for use of this power would be exceptional and would only be likely to affect convicted persons whose employment or re-employment in positions of influence would generally be regarded by right thinking people as a public scandal.

Such a provision will also cater for a different sort of the case in which it is feared that the convicted person on his return to his employment might take steps to end the employment of others who had given information or evidence against him. And these provisions, if in those exceptional cases they were applied, would only be applied of course by the courts and not by any other person or body.

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

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

Question put and agreed to.

MONEY LENDERS BILL 1980

THE ATTORNEY GENERAL moved the second reading of:—‘A bill to provide for the control and regulation of money lenders and money-lending transactions, The appointment of a Registrar of Money Lenders and the licensing of persons carrying on business as money lenders; to provide protection and relief against excessive interest rates and extortionate stipulations in respect

of loans; to provide for offences and for matters connected with or incidental to the foregoing; and to repeal the Money Lenders Ordinance’.

He said:—Sir, I move the second reading of the Money Lenders Bill 1980.

The object of this Bill is to provide a framework within which to tackle the problem of ‘loansharking’ in Hong Kong. The present Money Lenders Ordinance, Chapter 163, provides no control whatsoever over the type of people who engage in money lending. It is based on the (United Kingdom) Money Lenders Act 1900 which has been superseded by the Money Lenders Act 1927 and the Consumer Credit Act 1974. The updating of the legislation here in Hong Kong is long overdue, and especially is this so in view of the serious social problems which I know arise from loansharking. It is well known for instance that a number of loanshark firms are in fact run by triad societies, that grossly excessive interest rates are very frequently charged—experience shows that between 100% and 340% or 350% per annum is the norm, and cases have come to light of people being charged up to 1,400% per annum. Terms are introduced into these loan agreements which, taken together with the interest rates to which I refer, in fact mean that the borrower in practice can never repay the sum lent, so that he presents as it were a permanent meal-ticket to the lender; and the borrower may by reason of that remain under the control of the lender in other ways too. It is well known and recognized I think that unacceptable and often criminal methods of enforcing payment by physical violence are not uncommon—and indeed I have learned of one case where fear drove a married woman into prostitution under the control of the loanshark in a desperate attempt to repay what her husband had borrowed.

People from all walks of life and all types of work fall into the hands of the loanshark. The present law is not capable of dealing with the problem. Its main provisions are a requirement to register with the Registrar of Companies, but he has no power to refuse registration. And it is known that in some cases registration is used in advertisements and otherwise to give a spurious air of respectability to some bad firms in the eyes of the public. And the last provision of the present law is that where the terms of an agreement are usurious the court may, if and when the borrower is sued, but of course not otherwise, give him some relief; and the penalties for breach of the act are very low: \$1,000 fine on first conviction, \$3,000 or three months imprisonment on subsequent convictions. This overall picture means that loansharking poses a real threat to the society of Hong Kong which ought to be dealt with.

At the same time it must be recognized that reputable money lending fulfills a very necessary social need—and I wish to stress that there are many reputable companies operating in the field of unsecured personal loans, and it is very important that these companies are not hindered or interfered with in their proper and respectable business.

So my aim in the design and drafting of this legislation has been to provide a framework of law which will allow the present power of the loansharks to be broken but which would at the same time permit reputable money lenders to carry on their business without unnecessarily onerous or burdensome controls.

I shall now turn, Sir, if I may to the detail provisions of the Bill.

The Bill replaces the unsatisfactory system of registration of money lenders with one of licensing so that applicants can be 'screened' for their suitability to carry on a money lending business, and so that the methods they adopt after having been licensed in the conduct of their business can be overseen and the decision to license them reviewed in appropriate circumstances. Moreover loans made by any person, whether or not a licensed money lender, will be subject to control so far as the maximum rates of interest rates are concerned. It is, I would suggest, quite unsatisfactory and wrong to have rates up to 1,400% being possible to be charged. Third, provisions are provided in the Bill with regard to advertising and so on which are designed to prevent borrowers from being misled. Banks, credit unions, co-operative societies, life insurance companies and similar institutions whose money lending business is already subject to other ordinances will be exempted from most of the provisions of the Bill, as will be certain other classes of transaction, such as mortgage business, the issue of debentures and so on, where it is felt that no further control is required.

Part II of the Bill is that which deals with the licensing of money lenders. To carry on business as a money lender an applicant will have to apply to the Registrar of Money Lenders for a licence giving details of the business premises, the names of the manager proposed to run it, and in the case of companies, the names of the officers and details of shareholdings. The reason for this is so that one can have some idea of who in fact is in control of the money lending organization. It is proposed that the Registrar General's Department will undertake the functions of the Registrar. Having received the application, the Registrar will advertise it so that members of the public may make representations if they wish, as one wishes to tap the local knowledge of people as to the bad performance, if bad performance there be, of companies.

The applicant will have to send a copy of his application to the Commissioner of Police who may decide, if he feels it appropriate to do so, to investigate to see if there are any good or proper grounds of objection to the applicant. In so investigating the Police will have the power to inspect the money lending books and records of the applicant and to require the applicant to produce other relevant information about any money lending business which he is currently conducting or has conducted. The application then is advertised so that the public may see it.

The Police will then have up to 60 days to complete their investigation if they wish to do so. If they or any member of the public objects, then the

Registrar must give the applicant notice of the objection. The application and notice of grounds of objection thereto will then be lodged by the Registrar in the Magistrate's Court which, it is proposed, will be the licensing authority. If there are no objections a licence will be issued automatically. If there are objections there will be a hearing at which the applicant and the objectors will each be entitled to be heard, before the court decides whether to grant the licence or not. Before granting the licence the court will have to be satisfied that the applicant or anyone responsible for running the business is a fit and proper person to carry on or be associated with a money lending business. Similar provisions apply to applications from companies. The court will also have to be satisfied that the premises and their location are suitable (for instance not located in bars and such places), that the proposed business name is not misleading to the public or otherwise undesirable, and that the grant of the licence is not contrary to the public interest, and thus the applicant is not already disqualified from holding a licence. These detail provisions are contained in clauses 9 and 10.

The licence will run for 12 months and be subject to such conditions as the licensing court sees fit to impose. Three months before the expiry of the licence the licensee may apply for renewal.

Clause 13 provides that whilst the licence is in force the Registrar and Commissioner of Police may apply to a Magistrate for the revocation or suspension of a licence on similar grounds to those for which objections to the initial application occur. This is to provide for the case of where someone is thought to be reputable and then at a later stage evidence comes to light showing the contrary. The licensee again will be given notice of these objections and again a hearing will be held.

If a licensed money lender dies his business may on application be carried out by a substitute licensee. Clause 14 is designed to preserve a business for the family of a licensed money lender who dies.

Clause 15 provides that any person who is aggrieved by a Magistrate's decision relating to the granting or revocation of these licences has a right of appeal to the High Court.

Under clause 4 the Registrar will keep a register of applications for licence or renewal of licence, licences which are in force or have been revoked or suspended and such other matters as he thinks fit.

As I have said, the licensing authority will be the Magistrate's Court. Magistrates are independent judges and are trained and versed in making decisions of this sort required in this instance. It is proposed that a Magistrate will sit as Chairman of the Licensing Court, but with him will sit two lay assessors who will be full members of the court also, and who will be able to bring to the task of deciding whether to license or not the benefit of their knowledge and their judgment of local people.

It is hoped that these licensing provisions will provide forceful machinery to combat loansharking.

Clause 28(1) provides that it will be an offence for any person to carry on business as a money lender, and I stress carry on business as opposed to make occasional loans, without a licence or at premises other than those specified in the licence or while the licence is suspended or in contravention of any of the conditions of the licence.

Clause 28 also provides that the furnishing of false information in connection with an application for a licence and failure to notify a change in particulars entered in the register will constitute offences by the money lender.

Clause 22 provides that a money lender will not be entitled to recover in court any money lent by him or any interest thereon unless he can satisfy the court that he was licensed at the time for transaction.

I now come to Part III and Part IV of the Bill which deal with the loan transactions themselves, and most importantly with interest rates. The matter of interest rates has been dealt with on a two-tier basis.

In the case of loans made by any person, whether or not a licensed money lender, where proceedings are taken for the recovery of money lent or on the application of the debtor, a court may, if satisfied that the transaction is extortionate, reopen the transaction and substitute just terms. The Bill provides that a transaction is extortionate when the transaction requires a debtor or his relative to make grossly exorbitant payments or where it grossly contravenes ordinary principles of fair dealing.

Clause 24 provides that the transaction will be presumed *prima facie* to be extortionate where the effective rate of interest exceeds 48% per annum. But in order to decide whether the transaction is *in fact* extortionate in all the circumstances of the particular case the court will have regard to all the circumstances—such as prevailing interest rates at the time of the loan, the age and business experience of the debtor, the financial pressure on the debtor, the relationship between him and the lender, the risk accepted by the lender, the security, if any, provided for the loan, and so on.

In the case of a loan made by any person, whether or not a licensed money lender, where the effective rate of interest exceeds 60% per annum the agreement will be unenforceable and the loan irrecoverable in law. Furthermore clause 23 provides that to make a loan at a rate of interest exceeding 60% will constitute a criminal offence punishable by fine and/or imprisonment.

This provision is in my view absolutely crucial to the success of the Bill as a means of ending the reign of loansharks. It is under it that I anticipate most prosecutions of them will take place. One of the problems that has been found in other jurisdictions where control of loansharking has been attempted

is that the provisions of the law have been easy to avoid because there has always been a necessity to prove that the person is indulging in the business of money lending that they have *habitually* dealt as a money lender, not just enter one or two transactions; and that type of evidence is not always easy to obtain in any individual case. The aim in this Bill therefore has been to choose a rate of interest which reputable commercial people and society generally all agree to be safely high enough, and then to make it an offence to lend money at a rate in excess of that. This removes the evidential problem to which I have just referred and makes prosecution and hence control a real possibility.

Obviously in these circumstances it is critical that rates of interest are chosen which are high enough not to inhibit ordinary reputable commercial transactions by decent company operating in the personal loan field, and the question of the level at which interest rates become unacceptable was decided by reference to reputable commercial practice in Hong Kong as well as the attitudes taken in other jurisdictions. Most reputable institutions in the personal loan field in Hong Kong charge effective rates of interest between 34% and 44% per annum depending upon the circumstances of the borrower. 48% is the figure adopted in legislation in several states in Australia, in the United Kingdom and in Japan as that at which loans become void. And the experience in Japan is interesting, because prior to the introduction there of the system, there were as they are at present in Hong Kong very high interest rates being charged in the loansharking situation. And I understand the position there now to be that rates have in the majority of instances come down well below the 48%. So in Hong Kong after careful study and consideration, 48% per annum has been chosen as the interest rate rendering a transaction *prima facie* extortionate and thus giving the court the power to reopen the transaction and adjust the terms. But it is of course envisaged that there may well be circumstances in which interest rates between 48% and 60% fairly and justly may be charged and where accordingly the court will not interfere with that rate.

However a rate of interest in excess of 60% per annum is considered wholly unacceptable and hence that is the rate chosen above which the more stringent sanctions in respect of such transactions will apply.

Both of these rates may be altered by resolution of this Council. If Council feels it a good idea so to do whether by reason of change in financial circumstances or because the rates no longer appear appropriate for any other reason.

The other main provisions contained in Part III of the Bill relate to the supply of information. It is considered that the borrower should be in a position to know the true terms of any agreement he enters into and to know accurately his indebtedness to the money lender at any time during the period of the loan. It is also desirable that an accurate record is available should any court proceedings arise.

The Bill therefore requires that the money lender supplies the borrower with a copy of a note or memorandum of the transaction, which must contain all the terms of the agreement, including the effective rate of interest charged; and the borrower must also be supplied with a prescribed summary of Parts III and IV of the Bill dealing with duties of the money lender and interest rates, the parts I have just been referring to. Neither the agreement nor any security given shall be enforceable unless this has been done, except where the court may think this would lead to injustice, for instance where an accidental minor mistake in the memorandum is made and no one has been prejudiced thereby. Failure to abide by these provisions will render the money lender liable to prosecution.

While the agreement continues the money lender will be obliged, on request by the borrower, to supply him with information disclosing the up-to-date state of the loan. A surety will be entitled to a copy of the agreement or security instrument and up-to-date information during the continuance of the agreement, and a charge would be made for that at fixed set of rate which is not oppressive. Failure to supply the information to the borrower will prevent the money lender from suing for or recovering the amount outstanding and, in respect of a surety, from enforcing the security and shall also render the money lender liable to prosecution.

Clause 20 provides for early repayment of the outstanding balance of the loan by the borrower. The interest payable is computed up to the date of such payment. However, this provision will not apply to all money lenders. It is recognized that there are a number of concerns in the financial field which rely on fixed term borrowing to obtain the resources to relend to their customers and who ought to be permitted to charge penalties for early repayment of a loan since early repayment in effect means that the resources which they themselves have borrowed lie idle for the balance of their fixed term. And the Financial Secretary will have the power to specify which concerns are exempt.

Clause 26 of the Bill seeks to prevent a money lender from exacting from the borrower a sum on account of costs, charges or expenses incidental to the loan. It is recognized however that there is a fairly widespread reputable commercial practice of levying fees to cover, for instance, life insurance of the borrower or handling expenses. If this practice were totally prohibited it is thought that interest rates would be increased to the borrower's disadvantage. Accordingly, the Registrar is given wide discretion to approve certain charges limited to such amount or percentage as he specifies or to exempt certain groups in relation to such charges, subject to the Registrar first consulting the Financial Secretary.

These then are the main provisions of the Bill. They will only be effective in combating loansharking if adequate penalties are imposed for contravention of them. The clauses that deal with offences and penalties are clauses 28, 29, 30 and 31. The maximum penalty imposed is a fine of \$100,000 and

imprisonment for two years. This applies to offences of carrying on a business as a money lender without a licence, at places other than those specified in the licence, in breach of licence conditions or during a period when the licence is suspended. The same penalties apply to offences such as providing false information when applying for a licence; failing to notify details of relevant changes in circumstances, failing to provide the borrower with the necessary documents or information on demand, demanding or accepting a security in a form prohibited by clause 28(5) and for breach by the money lender of the advertising provisions imposed by clause 25. The other offences specified in sections 29 and 30 are necessary sanctions if the scheme of the Ordinance is to be effective. In addition the Registrar is given power under clause 27 to authorize entry to premises and inspection of books to ascertain if a money lender who has been licensed is complying with the law.

In addition to the power to impose fines and imprisonment a court has a discretion to disqualify a money lender from holding a licence for a specified period.

Under clause 33, Your Excellency has the power to make regulations imposing restrictions on the form in which security for any loan may be demanded or accepted by a money lender. It is envisaged that regulations will be made to prohibit the use of warrant cards, travel documents, ID cards, bank books and other unsuitable items as security for loans.

Lastly there have of course to be transitional provisions. Clause 34 deals with those money lenders registered under the present Ordinance who will be deemed to be licensed for specified periods so as to give them the time and opportunity to apply for a licence without interruption of their business in the interval.

Clause 35 provides that borrowers will remain liable to pay principal sums agreed to be lent before the new law subject to there being superimposed by law a reasonable rate of interest, not exceeding 60%. in those cases where the amount under the agreement does in fact exceed 60%. The Criminal sanctions of the new law will not apply retrospectively and agreements entered into before the new law will not be rendered unenforceable. However where the interest rates exceed 60% there will be permitted the adjustment to the rate to which I referred. And this, it is hoped, would also discourage attempts by loansharks to backdate agreements.

These, Sir, are the provisions of what I recommend to this Council as very necessary legislation to control money lending.

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

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

Question put and agreed to.

INLAND REVENUE (AMENDMENT) BILL 1980**Resumption of debate on second reading (14 May 1980)**

Question proposed.

Question put and agreed to.

Bill read the second time.

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

FIRE INVESTIGATION (AMENDMENT) BILL 1980**Resumption of debate on second reading (14 May 1980)**

Question proposed.

Question put and agreed to.

Bill read the second time.

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

Committee stage of bills

Council went into Committee.

INLAND REVENUE (AMENDMENT) BILL 1980

Clauses 1 and 2 were agreed to.

FIRE INVESTIGATION (AMENDMENT) BILL 1980

Clauses 1 to 3 were agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

INLAND REVENUE (AMENDMENT) BILL and the

FIRE INVESTIGATION (AMENDMENT) BILL

had passed through Committee without amendment and moved the third reading of each of the Bills.

Question put on each Bill and agreed to.

Bills read the third time and passed.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday, 11 June 1980.

Adjourned accordingly at six minutes past four o'clock.