

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 24 July 1985****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE ACTING GOVERNOR (*PRESIDENT*)
THE HONOURABLE THE CHIEF SECRETARY
SIR DAVID AKERS-JONES, K.B.E., C.M.G., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY (*Acting*)
MR. PIERS JACOBS, O.B.E., J.P.

THE HONOURABLE THE ATTORNEY GENERAL (*Acting*)
MR. JEREMY FELL MATHEWS, J.P.

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

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

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

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

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

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

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

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

THE HONOURABLE ANDREW SO KWOK-WING, O.B.E., J.P.

THE HONOURABLE HU FA-KUANG, O.B.E., J.P.

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

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

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

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

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

DR. THE HONOURABLE HENRIETTA IP MAN-HING

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

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

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN

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

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

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

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

THE HONOURABLE KEITH LAM HON-KEUNG, J.P.

THE HONOURABLE CARL TONG KA-WING

THE HONOURABLE MICHAEL LEUNG MAN-KIN, J.P.
DIRECTOR OF EDUCATION

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

THE HONOURABLE GERALD AIDIAN HIGGINSON, A.E., J.P.
SECRETARY FOR ECONOMIC SERVICES (*Acting*)

DR. THE HONOURABLE RUDY KIAN-KANG KHOO, J.P.
DIRECTOR OF MEDICAL AND HEALTH SERVICES (*Acting*)

THE HONOURABLE DARWIN CHEN, J.P.
COMMISSIONER FOR LABOUR (*Acting*)

THE HONOURABLE CHAU TAK-HAY, J.P.
SECRETARY FOR HEALTH AND WELFARE (*Acting*)

THE HONOURABLE HARNAM SINGH GREWAL, E.D., J.P.
SECRETARY FOR TRADE AND INDUSTRY (*Acting*)

THE HONOURABLE ADOLF HSU HSUNG, J.P.
SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION (*Acting*)

THE HONOURABLE ALBERT CHI-CHIU LAM, J.P.
SECRETARY FOR DISTRICT ADMINISTRATION (*Acting*)

THE HONOURABLE PANG YUK-LING, I.S.O., J.P.
SECRETARY FOR HOUSING (*Acting*)

ABSENT

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

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

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

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

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

THE HONOURABLE CHAN YING-LUN

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR. LI WING

Affirmation and Oath

Mr. CHAU Tak-hay made the Affirmation of Allegiance and Mr. Adolf HSU and Mr. Albert LAM took the Oath of Allegiance and assumed their seats as Members of the Council.

HIS EXCELLENCY THE PRESIDENT:—I should like to welcome Mr. CHAU, Mr. HSU and Mr. LAM to this Council.

Papers

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

Subject *L.N. No.*

Subsidiary Legislation:

Ferry Services Ordinance.	
Ferry Services (Hongkong and Yaumati Ferry Company, Limited) (Determination of Fares) (Amendment) Order 1985 -----	188
Public Health and Urban Services Ordinance.	
Public Health and Urban Services (Amendment of Twelfth Schedule) Order 1985-----	190
Public Health and Urban Services Ordinance.	
Public Health and Urban Services (Public Pleasure Grounds) (Amendment of Fourth Schedule) Order 1985-----	191
Revised Edition of the Laws Ordinance 1965.	
Annual Revision 1984 -----	192
Inland Revenue Ordinance.	
Inland Revenue (Interest Tax) (Exemption) (Amendment) (No. 7) Notice 1985-----	194
Tax Reserve Certificates (Fourth Series) Rules.	
Tax Reserve Certificates (Rate of Interest) (No. 7) Notice 1985 -----	195
Legislative Council (Electoral Provisions) Ordinance 1985.	
Legislative Council (Electoral Provisions) (Procedure) Regulations 1985 -----	196
Electoral Provisions Ordinance.	
Declaration of Constituencies (Urban Council) Order 1985 -----	197

<i>Subject</i>	<i>L.N. No.</i>
Electoral Provisions Ordinance. Declaration of Constituencies (Regional Council) Order 1985 -----	198
District Boards Ordinance. Declaration of Urban Council Area and Regional Council Area Order 1985 --	199
Industrial Training (Clothing Industry) Ordinance. Industrial Training (Clothing Industry) (Amendment of Schedule) Order 1985-----	200
Telecommunication Ordinance. Telecommunication (China Light and Power Company Limited) (Exemption from Licensing) Order 1985 -----	201
Kowloon-Canton Railway Corporation Ordinance. Kowloon-Canton Railway Corporation (Permitted Activities) Order 1985-----	202
Public Health and Urban Services Ordinance. Declaration of Markets in Urban Areas (No. 2)-----	203
Public Health and Urban Services Ordinance. Public Health and Urban Services (Public Markets) (Designation and Amendment of Tenth Schedule) (No. 4) Order 1985-----	204
Inland Revenue Ordinance. Inland Revenue (Interest Tax) (Exemption) (Amendment) (No. 8) Notice 1985-----	205
Tax Reserve Certificates (Fourth Series) Rules. Tax Reserve Certificates (Rate of Interest) (No. 8) Notice 1985 -----	206
Sessional Papers 1984-85:	
No. 65 — 1984 Annual Report by the Commissioner of the Independent Commission Against Corruption.	
No. 66—Police Welfare Fund—Income and Expenditure Account with Balance Sheet and Certificate of the Director of Audit for the year ended 31 March 1984.	
No. 67—Report on the Administration of the Immigration Service Welfare Fund for the period from 1 April 1984 to 31 March 1985.	
No. 68—Annual Report of the Schools Medical Service Board for the year ended 31 March 1985.	

Oral answers to questions

Acquisition of the Hang Lung Bank

1. MISS DUNN asked:—*I refer to the Financial Secretary's speech on 27 September 1983 when moving the Hang Lung Bank (Acquisition) Bill 1983 in which he said 'It is not possible yet to quantify what the costs will be to the Exchange Fund, from which expenses will be met. It is our intention that the Hang Lung Bank under sound management will in due course revert to private ownership on a basis yet to be determined. It may be that this turnaround will not be expensive but only time will tell.'* May I ask whether the Government is now able to quantify the cost of this acquisition, what its plans are for this bank, whether it has established the causes of the bank's troubles and what lessons can be drawn from this whole exercise?

THE FINANCIAL SECRETARY:—Sir, the ultimate cost of the acquisition of the Hang Lung Bank will depend on the price which the Government is able to obtain for the bank when it is returned to the private sector. This price will in turn depend to a substantial degree on the success of the bank in recovering money owed to it. The bank is strenuously continuing its efforts in this area. In the circumstances, I cannot at this stage quantify the cost of acquisition.

Miss DUNN has asked what are the Government's plans for this bank. The position has not changed since September 1983. It remains the Government's intention to return the bank to the private sector.

As to the causes of the bank's troubles, all I can safely say this afternoon is that there was a large element of mismanagement in that the bank lent imprudently. The lessons learnt from the Hang Lung exercise form part of the input to the current review of prudential supervision. We hope to present the results of that review to the Banking and Deposit-taking Companies Advisory Committees in early September. Depending upon the advice of the two committees, we expect before the end of the year to be in a position to develop further the future shape and scale of our regulatory system.

Sir, let me add that I am grateful to Miss DUNN for asking this question, because it provides me with an opportunity to thank the present Hang Lung Bank Board, its management and staff for all they have done to improve the prospects of the bank, thereby advancing the date when the bank can be returned to the private sector, and in consequence the date when the answers Miss DUNN is looking for today can be provided with some certainty.

MISS DUNN:—*Sir, I accept fully that when the bank is sold eventually it may in fact make a profit for the Government, but can the Government say to date how much it has cost the Government?*

THE FINANCIAL SECRETARY:—Sir, I tried to make it clear in my answer that our task has been to put this bank in a saleable position so that we can return it to the private sector in good shape and on the best possible terms that we believe to be in the public interest. I fear that it could be misleading to give the figure that Miss DUNN has asked for this afternoon because we might be over-stating the final cost of this acquisition and this might cause problems in the disposal of the bank.

MISS DUNN:—*Sir, can the Government then give an indication when the bank is likely to be in a position to be of attraction to the private sector?*

THE FINANCIAL SECRETARY:—It is difficult, Sir, to give a precise date at this time. All I can say this afternoon is that we are making a very positive effort to put the bank into a saleable state. We feel it is very important to recover as much money as possible for the bank and as I have said in my answer the bank and its board are making strenuous efforts in this area, but I can't be precise as to the date which Miss DUNN has asked for.

MISS DUNN:—*Sir, has the Government managed to recover any compensation from those responsible for the mis-management?*

THE FINANCIAL SECRETARY:—I am lucky to have a member of the board sitting next to me and the answer is not as yet, Sir.

MISS DUNN:—*Sir, am I to understand that after almost two years the Government is not able to say how much this acquisition has cost and is likely to cost, when it is able to dispose of it and whether or not it is able to recover any compensation?*

THE FINANCIAL SECRETARY:—To answer the first part of that question, two years seems an awfully long time. But we are faced with a bank with difficulties, and a great deal of effort has been spent in putting this bank into a good shape again so that it can be disposed of. One can say little more than that. I don't believe that two years in all the circumstances is too long.

MR. STEPHEN CHEONG:—*Sir, I noted that the price of privatisation of Hang Lung Bank in future would depend to a substantial degree on the success of the bank in recovering the money owed to it; but there is another aspect and that is whether the bank has been returned to a profitable situation irrespective of the money that has been lost. Could I ask the Financial Secretary whether or not the damage (or the operating losses) has been minimised and that the bank is now on to at least, if not a profitable stage, a break-even stage?*

THE FINANCIAL SECRETARY:—Sir, we are indeed moving in that direction. *(laughter)*

MISS DUNN:—*How far are we from that direction? (laughter)*

THE FINANCIAL SECRETARY:—Sir, let me put it on record that I am in my capacity as Financial Secretary Incorporated, merely the shareholder. This question really ought to be addressed to the board. We are getting close to a satisfactory position. *(laughter)*

Escalators for the O'Brien Road footbridge

2. MR. YEUNG PO-KWAN asked:—*Could Government inform this Council whether escalators would be provided in the O'Brien Road footbridge linking O'Brien Road with the Wan Chai Reclamation; and if so, when this project would be completed?*

SECRETARY FOR LANDS AND WORKS:—Yes, Sir, escalators will be provided in the O'Brien Road footbridge linking O'Brien Road with the Wan Chai Reclamation. There will be four such escalators respectively located north of Hennessy Road, at Wan Chai North MTR Station, Jaffe Road and Gloucester Road. The construction of the footbridge has already commenced and is expected to be completed by mid next year.

MR. YEUNG PO-KWAN:—*Sir, for calculation purposes, how many pedestrians are normally required to justify provision of escalators in footbridge?*

SECRETARY FOR LANDS AND WORKS:—The Transport Department has done a rough benefit-cost analysis of escalators and they have recommended that a minimum of 15 000 pedestrians a day should be the warrant for considering escalators.

Provision of English Schools Foundation schools in Sai Kung

3. MR. CHEUNG YAN-LUNG asked:—*Will Government make a statement on the planning and progress of English Schools Foundation schools in Sai Kung and other parts of the territory?*

DIRECTOR OF EDUCATION:—Sir, having reviewed the current provision and the projected demand for English-speaking school places in the territory, the Government has recently arrived at the following decisions regarding the planning and programming of the English Schools Foundation schools:—

- (a) To build a new 18-classroom primary school in the Sai Kung area to re-provision the existing Boundary Junior School in Kowloon.

- (b) To reduce the size of the planned Shatin Junior School from 24 to 18 classrooms.
- (c) To re-provision Glenealy Junior School as a 12-classroom school instead of an 18 classroom school.

The English Schools Foundation has been officially informed of the above decisions, and action is now being taken by all parties concerned—

- (a) to identify a suitable site for the proposed Sai Kung Junior School to ensure that it is within reasonable travelling distance of the main centres of expatriate population in the Sai Kung area;
- (b) to modify the design of the Shatin Junior School with a view to reducing the scope to an 18-classroom school; and
- (c) to proceed with the design of a 12-classroom school at Queen's Gardens for the re-provisioning of Glenealy Junior School.

Apart from the above new schools, two other E.S.F. projects are in the pipeline viz. the Shatin Secondary School in Area 41A, Sha Tin, and the Sandy Bay Junior School at Pok Fu Lam, Hong Kong. The secondary school is expected to be completed and operational by September 1985 while the junior school is currently at the design stage, scheduled for completion in 1987-88.

MR. CHEUNG YAN-LUNG:—*Will the Director of Education be able to say when the English speaking school at Sai Kung can be built?*

DIRECTOR OF EDUCATION:—Sir, there are at present a number of sites to be decided before we can confirm the planning and the completion date. Subject to the site being chosen and confirmed, I think the earliest to expect for the school to be completed is 1989-90.

Leave relief for nurses on maternity leave

4. DR. IP asked:—*Would Government consider creating a leave relief pool to provide temporary replacements for nurses who are on maternity leave?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, provision is made in the Medical and Health Department for the temporary replacement of nurses who go on maternity leave from the leave relief pool.

Out of the present establishment of 9 423 nurses in the civil service, 7.3 per cent or 642 posts have been created as leave relief reserve. They are used to replace nurses on all types of leaves, including maternity leave.

In 1984, 423 nurses took maternity leave. The normal period of maternity leave being ten weeks, this require 110 nurses for their relief. Experience has

shown that the leave relief pool is adequate to provide temporary coverage for such leave. The major part of the pool provides for the relief of nurses taking other forms of leave, such as vacation leave.

The Department is keeping the situation under regular review, and efforts are being made continuously with a view to ensuring that the leave relief requirements for such a large workforce as the nurses are adequately met within available resources.

DR. IP:—*Sir, is this percentage, namely 7.3 per cent, the same before and after the enactment of the bill to specify the duration of maternity leave of ten weeks?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Yes, Sir.

DR. IP:—*Sir, in other words, does it mean that there had been no provision made for such relief reserve specifically for maternity leave in addition to the 'all types of leaves'?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, the maternity leave of ten weeks for 423 nurses requires a nurse working capacity of 29 610 nurse-days. The capacity of one nurse per year is 270 days; and working this out we arrive at the figure of 110 nurses for the relief of 423 nurses.

DR. IP:—*Sir, I'll pursue another aspect of the answer. Does the Nursing Director share the same view as regards the Director's statement 'Experience has shown that the leave relief pool is adequate to provide temporary coverage for such leave.'?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—My answer was drafted in consultation with the Nursing Director.

DR. IP:—*Sir, does the nurses who are working in the overcrowded hospitals in government hospitals share the same statement?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, I have not consulted the nurses.

Use of Cantonese by Official Members

5. MR. WONG LAM asked in Cantonese:—

政府可否告知本局，是否會鼓勵能說粵語的本局官守議員，在非官守議員用粵語提出問題時，以粵語作答？

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

Will Government inform this Council whether consideration will be given to encouraging Cantonese-speaking Official Members of this Council to reply in Cantonese to questions put to them by Unofficial Members in Cantonese?

SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION replied in Cantonese:—

主席先生，答案是會的。政府會鼓勵能說粵語的本局官守議員，在適當的情況下和如果他們願意的話，用粵語回答非官守議員以粵語提出的問題。

(The following is the interpretation of the reply given by the Secretary for Administrative Services and Information.)

Sir, the answer is positive. The Government will encourage Cantonese-speaking Official Members to reply in Cantonese, whenever appropriate and if they so wish, to questions raised by Unofficial Members in Cantonese.

MR. WONG LAM asked in Cantonese:—

閣下，好多謝行政司用粵語答覆我的問題，我繼續想問政府用什麼方法去鼓勵能講粵語的本局官守議員用粵語答覆問題呢？

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

Sir, I am very grateful to the Secretary for Administrative Services and Information for answering my question in Cantonese, but I would like to ask him what method would he be using to encourage Official Members to answer questions in Cantonese?

SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION replied in Cantonese:—

主席先生，政府不時提醒這些議員，假如問題沒有涉及專門性的事項，又如果他們願意用粵語作答，他們可以隨時這樣做。

(The following is the interpretation of the reply given by the Secretary for Administrative Services and Information.)

The authorities will from time to time remind them that on subjects of a nontechnical nature, they are welcome to speak in Cantonese if they so wish.

Relocation of Bullock Lane Waterworks Depot

6. MR. YEUNG PO-KWAN asked:—*Could Government inform this Council of:*

- (a) *the plan to relocate the waterworks depot at Bullock Lane; and*
- (b) *the timing of its implementation?*

SECRETARY FOR LANDS AND WORKS:—Sir, action is in hand to relocate the waterworks facilities now located at Bullock Lane in Wan Chai.

This involves reprovisioning both a centralised workshop and the operational and service centre for Hong Kong Island.

Design works for the new centralised workshop at Lung Cheung Road are currently in hand and construction is scheduled to be completed in early 1988.

The item for provision of the new operational and service centre is currently in Category B of the public works programme and planning is well in hand, though certain issues remain to be resolved. Detailed design and construction will take about three years to complete, following resolution of the planning issues.

On completion of the replacement projects, the Bullock Lane site can be released.

MR. YEUNG PO-KWAN:—*Sir, what are the planning issues that remain to be resolved and how long will it take to resolve them?*

SECRETARY FOR LANDS AND WORKS:—The site reserved for the new operational and service centre at Java Road is quite a bit larger than the requirements of the waterworks, so we've got to consider what other uses can be put together on this site and these are being discussed among the departments concerned. We hope to have a resolution of this very quickly.

MR. YEUNG PO-KWAN:—*Sir, has there been any plan made for the use of the Bullock Lane site after release?*

SECRETARY FOR LANDS AND WORKS:—The zoning of the site at Bullock Lane is for open space. The Urban Council has a project for it. It is called the Queen's Road East Park.

Control of organisations engaged in fund-raising activities

7. DR. IP asked:—*Could the Government inform this Council:*

- (a) *whether it is aware that some Hong Kong organisations are passing themselves off as charities and are collecting donations from the public; and*
- (b) *what plan it has to step up the supervision of fund-raising activities to protect the public from being cheated?*

SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION:—Sir, this question relates to the control of organisations engaged in fund-raising activities and the proper disbursement of such funds for genuine charitable purposes.

As regards the first part of the question, the simple answer is that the Government will become aware of such incidents when these are brought to the attention of the police. Any organisation which tries to raise funds from the public under the guise of charity commits an offence under sections 17 and 18 of the Theft Ordinance (Chapter 210) and the police will act on any responsible complaint. Any person found guilty of this offence is liable on conviction upon indictment to imprisonment for ten years.

In the past few years, the police have dealt with very few cases relating to fraudulent fund-raising activities.

As regards the second part of the question, I wish to point out, Sir, that various types of fund-raising activities are subject to some measure of control.

If a fund-raising activity involves public entertainment in one form or another (e.g. bazaar, drama, concert, variety show etc.), a places of public entertainment (P.P.E.) permit from the Commissioner for Television and Entertainment Licensing is required. In considering the issue of a P.P.E. permit, the Licensing Authority will have regard to the *background* of an applicant and the *contents* of the event in consultation with the police.

In the case of lotteries, whether it is for fund-raising or other purposes, the Licensing Authority imposes strict conditions attached to a lottery licence. These conditions are intended to ensure that those who participate will receive a fair chance in the game and that the receipts and payments are properly accounted for.

In addition, any person who organises, assists or participates in any collection of money or sale of badges in public (e.g. for flag days) without a permit issued by the Director of Social Welfare commits an offence under section 4(17) of the Summary Offences Ordinance (Chapter 228) and shall be liable to a fine of \$500 or to imprisonment for three months. In the case of flag days, the organisers are required to submit audited accounts to the Director of Social Welfare and to publish these accounts in the newspapers.

The above safeguards are, however, not fool-proof against fraudulence which can take a variety of forms. In the final analysis, it is still left to individual members of the public to be on their guard when being approached by doubtful agencies.

Perhaps not many donors are aware that a list of approved charitable institutions and trusts of a public character which are granted tax exemption under section 88 of the Inland Revenue Ordinance (Chapter 112) is published in the Gazette (the latest list being shown Special Supplement in No. 4 to Gazette No. 28 of 1985 dated 12 July 1985). While this list is published for tax exemption purposes, members of the public may refer to it and check out the character of a particular organisation seeking donations.

There are, of course, many more organisations outside this list which do, from time to time, solicit public donations to cover the cost of an *ad hoc* project. If in doubt, members of the public are advised to satisfy themselves with the

status of the organisation concerned and the intentions of a project before making a contribution, and to report to the police on detection of any sign of fraud and deceit.

The police, from time to time, do publicise such incidents of deception through their Police Five programmes to educate the public to avoid being cheated.

Having said this, I must stress that most recognised charitable bodies have had considerable experience in organising such activities and, therefore, require little supervision. Since there are very few cases of fraudulent fund-raising activities and the laws against such offences are adequate to provide a deterrent effect, the Government does not consider it necessary, at this stage, to impose an administrative system to supervise each and every project before and after the event. After all, all donations are made on a *voluntary* basis, and the Government should not be seen to be discouraging *bona fide* charitable bodies from seeking public donations.

DR. IP:—*Sir, I can't agree more with the statements made by the Secretary, particularly his last one. But what are the existing requirements which an organisation has to follow when soliciting contributions for charitable purposes outside those previously described by him, like those outside public entertainment, lotteries and flag day; and is the Government happy with those existing requirements?*

SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION:—Sir, as I explained there are stringent conditions attached to applications for lottery and other entertainments licences. I am afraid I do not have the answers to this one and I would prefer to provide a written answer.

(The following written reply was provided subsequently.)

As you are no doubt aware, there is no single government body which is tasked with the control of each and every fund-raising activity in Hong Kong. This means there are *no* specific requirements which an organisation needs to follow in its fund-raising activities if these fall outside the scope of public entertainment, lotteries and collection of money or sale of badges in a public place such as flag day.

This does not mean, however, that fund-raising activities outside these areas are entirely free of any form of control. In the case of Government-subsidised voluntary agencies, the Director of Audit is empowered, subject to the terms and conditions of subvention, to inspect their accounts, including monies raised by the agencies themselves.

A further form of indirect control is exercised in the context of granting tax exemption to charitable institutions under Section 88 of the Inland Revenue Ordinance, Chapter 112. In considering applications of this kind, the Commissioner of Inland Revenue is required to examine the constitution and other

related documents of an applicant organisation and consider whether its purpose is for the relief of poverty, the advancement of education, religion or other purposes of a charitable nature beneficial to the community.

Once an organisation is accepted as being of a charitable character, its name will be included in the list of approved charitable institutions and trusts referred to in paragraph 9 of my reply. The Commissioner of Inland Revenue assures me that regular reviews at intervals of about four years are carried out to ensure that the objects of the organisation remain charitable and that its activities are compatible with its objects. During the year ending 31 March 1985, a total of 40 institutions were deleted from this List.

In the ensuing supplementary, you also asked whether the Government would consider requiring all organisers of fund-raising activities to submit audited accounts to the Director of Social Welfare. On this particular point, the Director of Social Welfare advises that since *not all* fund-raising activities are for a charitable purpose, it would not be appropriate for her to look after appeals for public subscription other than those covered by Section 4(17) of the summary Offence Ordinance, Chapter 228.

I am, of course, aware that your main concern is over organisations which set out to cheat the public under the guise of charity. However, given that fraudulent cases of this nature are not all that many, it is debatable whether the present lack of specific requirements, statutory or otherwise, is an acceptable alternative to any institutional control of one form or another.

Having said this, I should like to point out again that in the final analysis, those who are found fraudulent in the disbursement of such funds are liable to prosecution under sections 17 and 18 of the Theft Ordinance, Chapter 210. The police are always ready to act on alleged deception cases brought to their attention.

While I share your concern about maintaining public confidence in making donations for various purposes, I am not sure, however, that it would be in the best public interest for the Government to introduce an administrative system to supervise an activity which neither involves the protection of public funds nor provides a guarantee against misappropriation, and which might well prove to be expensive.

DR. IP:—*Sir, under section 88 of the Inland Revenue Ordinance, organisations can apply for tax exemption and if approved, can be put on the list of charitable institutions and trusts of a public character as the Secretary has stated. How does the Inland Revenue Department assess the applications and to what extent and how often are these tax exempted organisations being reviewed and how many of these approved organisations were deleted from the list last year?*

HIS EXCELLENCY THE PRESIDENT:—I think that is another question, DR. IP.

DR. IP:—*May I rephrase my question to that following on to the main answer?*

HIS EXCELLENCY THE PRESIDENT:—Please do.

DR. IP:—*Because one of the organisations which cheated the public used your name in vain, would Government consider that all organisers of fund-raising activities, other than those for flag days, should also be required to submit audited accounts to the Director of Social Welfare?*

SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION:—Sir, I shall certainly refer Dr. Ip's point to the policy Secretary responsible for this programme area for consideration.

Road access to Sai Kung area

8. MR. CHEUNG YAN-LUNG asked:—*In view of the existing congestion along Hiram's Highway, particularly during weekends and holidays, and taking into account that improvement to the Hiram's Highway would not be completed until 1990, will Government consider bringing forward plans for the construction of a road link from Nai Chung to Ma On Shan to provide an alternative access to Sai Kung area?*

SECRETARY FOR LANDS AND WORKS:—*Sir, a road link from Nai Chung to Ma On Shan comprising a 7.3 metre wide single carriageway has been planned, with construction expected to commence towards the end of 1986 and to be completed by the end of 1988. However, after a detailed review of the design and construction programme for this project, it is now considered that this road link could possibly be brought forward for completion in mid-1988.*

MR. SWAINE:—*Sir, could Government state how much remains of the road link for completion and if this is a comparatively short stretch of road, would Government consider accelerating the completion date?*

SECRETARY FOR LANDS AND WORKS:—The missing motorable link is approximately two kilometres long. As I said in my reply we have already considered how to advance the completion date of this missing link, and I'll certainly bear the interest of Mr. SWAINE in mind and see whether the programme can be even further accelerated.

MR. SWAINE said:—Not quite a question, but we did have a delegation visit UMELCO from the District Board of Sai Kung and this was one of the points made by them which appeared eminently reasonable if all that was left is less than, or about, two kilometres and this would provide an alternative access to Sai Kung and I would heartily commend early construction and conclusion of this last link for the benefit of all concerned.

HIS EXCELLENCY THE PRESIDENT:—I'm sure that requires no answer. *(laughter)*

Statement

1984 Annual Report by the Commissioner of the Independent Commission Against Corruption

SIR ROGER LOBO:—Sir, among the papers laid today is the I.C.A.C. Report for the year 1984.

The Commissioner I.C.A.C., in his review of the report, not only looks back on the work of the Commission in the past year; he also looks ahead and has confidence that the Commission will continue to play a vital part in sustaining Hong Kong's well-being and stability.

The report shows that there were little changes in the pattern of corrupt activity during 1984. There was a marginal rise in corruption in the private sector; the commissioner believes that this may well have been due to economic problems compelling management to report suspected irregularities in such a way which was not practised in earlier years when market conditions were more favourable.

The report highlights that of the corruption reports received in 1984, 63 per cent of the complainants identified themselves. This is a continuing indication of the high level of public confidence in the work of the commission.

The review of the work of the Operations Department summarises the more interesting cases investigated and prosecuted in 1984. It includes bank fraud cases involving enquiries into large-scale fraud in more than ten local banks and credit companies.

The Community Relations Department continued to exercise an influence on the community at large in educating the public on the evils of corruption. One of the main activities of the department in 1984 was the launching of a special programme for business and commercial groups in the form of a 'Conference on Business Ethics' which was held jointly with the Hong Kong Management Association.

One of the major publicity programmes launched by the Community Relations Department was the 13-part I.C.A.C. spot Series which was shown on the two Chinese television channels. In addition, the production of a new television drama series was finished this year. It has now been completed and was shown on television in May and June.

On the public education front, a teaching programme entitled 'The Way Ahead' was published and targetted at senior secondary students. Another teaching programme entitled 'Let's talk justice' was at the final stage of preparation with the object of promoting the concept of justice in junior forms. Teaching materials of a similar nature have been well received by primary and secondary school teachers in the past years.

In the corruption prevention field, the most significant development had been the formation of Corruption Prevention Groups within departments. The objective was to involve government departments more directly in identifying areas of their own activities where corruption opportunities may arise. Associated with the setting up of these groups is a trend that more and more assignment work had been carried out at the specific request of government departments and public bodies.

Sir, finally, I should like to mention that during the year under review, Mr. P. B. WILLIAMS completed his tenure of office as commissioner and was succeeded by Mr. G. T. BARNES.

Government Business

Motions

TELEPHONE ORDINANCE

THE SECRETARY FOR ECONOMIC SERVICES moved the following motion:—That the Telephone Ordinance be amended with effect from 1 October 1985 by deleting the Schedule and substituting the following—

SCHEDULE [s. 26.]

PART I

EXCHANGE LINE CHARGES

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>
1.	For an exchange line used for business purposes—	
	(a) exclusive service	\$792 per annum.
	(b) two party service	\$564 per annum.
2.	For an exchange line in a bona fide place of residence—	
	(a) exclusive service	\$516 per annum.
	(b) two party service	\$348 per annum.
3.	For a 'Hunting' exchange line	\$960 per annum.
4.	For a 'Direct Dialling In' exchange line	\$2,700 per annum.
5.	Associated charges for items 1, 2, 3 and 4—	
	(a) connexion	\$600.
	(b) removal within the same building	\$250.
	(c) removal to a different building	\$600.

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>
6.	For a temporary exchange line with standard telephone to a ship by landline—	
	(a) connexion	\$600.
	(b) rental for the period between connexion and recovery	\$62 per day.

Note: An exchange line is a direct line from a subscriber to one of the Company's exchanges excluding the provision of a standard telephone.

PART II

PUBLIC SWITCHED TELEPHONE NETWORK (P.S.T.N.) AND PUBLIC MOBILE RADIOTELEPHONE SERVICE (P.M.R.S.) INTERCONNECTION CHARGES

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>
1.	For an interconnexion line between P.M.R.S. and P.S.T.N.	\$60 per month. (see Note 1.)
2.	Associated charge for item 1—	
	(a) connexion or removal of an interconnexion line between P.M.R.S. and P.S.T.N.	\$600. (see Note 1.)
	(b) removal of an interconnexion line within the same building	\$250. (see Note 1.)
3.	For usage of an interconnexion line between P.M.R.S. and P.S.T.N.	\$7 cents per minute subject to Notes 1 and 2.

Note: 1. All charges are raised against the provider of P.M.R.S. and not customers of P.M.R.S.
2. In item 3, the usage charge is calculated monthly on the accumulated number of minutes for which the interconnexion line is used, rounded up to the nearest minute.

PART III

TELEPHONE APPARATUS, EXTENSION AND LEASED CIRCUIT CHARGES

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>
1.	For a standard telephone instrument	\$60 per annum. (see Note 1.)

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>
2.	For a coin box private payphone	\$6,600 per annum. (see Note 1.)
3.	For an internal extension within the same curtilage as the P.A.B.X. which was in existence before 1 July 1983 (see Note 2.)—	
	(a) circuit only with socket or terminal block	\$72 per annum.
	(b) connexion or removal	\$250.
4.	For an external extension routed between a building and a telephone exchange—	
	(a) rental, per 2 wire circuit presentation	\$552 per annum.
	(b) connexion or removal to a different building	\$350.
	(c) removal within the same building	\$250.
5.	For an external extension between two telephone exchanges, per 2 wire circuit presentation (inclusive of any line conditioning equipment)—	
	(a) not exceeding a radial distance of 2 kilometres	\$840 per annum.
	(b) for each additional 500 radial metres or part thereof	\$276 per annum.
6.	For an external extension automatic relay set in an exchange—	
	(a) rental	\$156 per annum.
	(b) connexion	\$140.
7.	For a leased circuit within the same curtilage—	
	(a) circuit only with socket or terminal block	\$120 per annum.
	(b) connexion or removal	\$250.
8.	For a leased circuit routed between a building and a telephone exchange—	
	(a) rental—	
	(i) category 1	\$552 per annum.
	(ii) category 2	\$552 per annum.
	(iii) category 3	\$1,104 per annum.
	(iv) category 4	\$1,104 per annum.
	(v) category 5	\$1,104 per annum.
	(vi) category 6	\$20,400 per annum.

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>
	(vii) category 7—	
	(1) not exceeding a radial distance of 1 kilometre	\$26,400 per annum.
	(2) each additional 500 radial metres or part thereof	\$6,600 per annum.
	(b) connexion or removal to a different building—	
	(i) category 1	\$350.
	(ii) category 2	\$350.
	(iii) category 3	\$350.
	(iv) category 4	\$350.
	(v) category 5	\$350.
	(vi) category 6	\$1,500.
	(vii) category 7	\$2,200.
	(c) removal within the same building—	
	(i) category 1	\$250.
	(ii) category 2	\$250.
	(iii) category 3	\$250.
	(iv) category 4	\$250.
	(v) category 5	\$250.
	(vi) category 6	\$700.
	(vii) category 7	\$1,540.
9.	For a leased circuit between two telephone exchanges (inclusive of any line conditioning equipment) not exceeding a radial distance of 2 kilometres—	
	(i) category 1	\$840 per annum.
	(ii) category 2	\$840 per annum.
	(iii) category 3	\$1,740 per annum.
	(iv) category 4	\$1,800 per annum.
	(v) category 5	\$3,600 per annum.
	(vi) category 6	\$7,800 per annum.
	(vii) category 7	\$10,560 per annum.
10.	For each additional 500 radial metres or part thereof between two telephone exchanges (inclusive of any line conditioning equipment)—	
	(i) category 1	\$216 per annum.
	(ii) category 2	\$276 per annum.
	(iii) category 3	\$552 per annum.
	(iv) category 4	\$564 per annum.

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>
	(v) category 5	\$900 per annum.
	(vi) category 6	\$960 per annum.
	(vii) category 7	\$1,320 per annum.
11.	For a leased circuit automatic relay set in an exchange—	
	(a) rental	\$156 per annum.
	(b) connexion	\$140.

- Note:*
1. In items 1 and 2 a connexion fee of \$140 will be charged if no other connexion or removal fee is charged for associated work carried out at the same time.
 2. Any other P.A.B.X. work performed by the Company would be subject to mutual agreement between the Company and the customer.

PART IV

SPECIAL APPARATUS

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>	
		<i>Annual Charge</i>	<i>Connexion or Removal</i>
1.	For Line Conditioning Equipment—		
	(a) 2 wire repeater	\$2,460	\$2,100.
	(b) 2 wire to 4 wire terminating unit	\$4,440	\$3,140.
	(c) loop extender	\$1,800	\$1,380.
	(d) signalling relayset for a central battery circuit routed over a P.C.M. link	\$4,200	2,040.
	(e) signalling relayset for an out of area exchange line of P.B.X. external extension	\$4,200	\$2,040.
	(f) termination relayset for a central battery circuit routed over 4-wire physical cable circuit	\$7,560	\$2,590.
	(g) termination relayset for an out of area exchange line or P.B.X. external extension routed over a 4-wire physical cable circuit	\$7,560	\$2,590.
	(h) amplifier/negative impedance repeater/amplitude equaliser/delay and amplitude equaliser	(see Note (see Note 1.)	1.)

<i>Item Particulars of Charge</i>	<i>Amount of Charge</i>	
	<i>Annual Charge</i>	<i>Connexion or Removal</i>
2. For Audio Broadcast Panel—		
(a) connexion (stock exchange type)	—	(see Note 1.)
(b) connexion to the output circuit	\$84	(see Note 1.)
3. For a Ringing Supply circuit—		
(a) using eliminator	\$132	(see Note 2.)
(b) from public exchange (subject to prior agreement with the Company)	\$660	(see Note 2.)
4. For a Power Supply circuit—		
(a) using eliminator	\$132	(see Note 2.)
(b) from public exchange (subject to prior agreement with the Company)	\$660	(see Note 2.)
(c) standby equipment	(see Note 1.)	(see Note 1.)
5. For Branching Panel	\$1,320	\$440.
<i>Note:</i>		
1. In items 1(h), 2(a), 2(b) and 4(c) a charge calculated in accordance with a costing formula agreed from time to time by the Postmaster General.		
2. In items 3(a), 3(b), 4(a) and 4(b) a connexion fee of \$140 will be charged if no other connexion or removal fee of associated work carried out at the same time.		

PART V

MISCELLANEOUS CHARGES

<i>Item Particulars of Charge</i>	<i>Amount of Charge</i>
1. For a Private Automatic Branch Exchange (P.A.B.X.) owned by a subscriber and in existence before 1 July 1983 (see Note 3.)—	
(a) connexion and removals	(see Note 1.)
(b) maintenance per installed extension for—	
(i) strowger equipment	\$216 per annum.
(ii) cross bar equipment	\$156 per annum.
(iii) semi-electronic	\$168 per annum.

<i>Item Particulars of Charge</i>	<i>Amount of Charge</i>
(iv) electronic-analogue equipment	\$168 per annum.
(v) electronic-digital equipment	\$264 per annum.
(vi) other types of equipment	\$192 per annum.
(c) minor work	\$ 11 per item. (see <i>Note 2.</i>)
2. For connexion or disconnexion of privately owned apparatus	\$70 per item.
3. Evaluation of privately owned apparatus—	
(a) connected to P.S.T.N. or P.A.B.X.—	
(i) for ordinary telephone	\$2,500.
(ii) for feature telephone (with handsfree and/or autodialling)	\$4,000.
(iii) for feature equipment, alarm system, answering and recording machine and autodialler	\$5,000.
(iv) for modem and facsimile equipment	\$5,000.
(v) for other items	(see <i>Note 1.</i>)
(b) Connected to leased circuit—	
(i) for modem and facsimile equipment	\$4,500.
(ii) for other items	(see <i>Note 1.</i>)
4. (a) For changing a telephone instrument or socket at request of subscriber	\$140.
(b) For each additional telephone changed at the same time	\$50.
5. For changing a telephone number at request of subscriber	\$220 per number.
6. For changed telephone number interception service (first month free of charge), subject to prior agreement with the Company	\$135 per month per number.
7. For registration of a change of name for an existing subscriber or user	\$110 per number.
8. For registration of a different subscriber for an existing installation	\$110 per number.
9. For any combination of registration, number change, etc.	\$600 per number maximum.
10. For reconnecting a service disconnected for non-payment of charges	\$110 per number.

<i>Item Particulars of Charge</i>	<i>Amount of Charge</i>
11. Administration charge for work undertaken but subsequently cancelled at request of subscriber	\$110 per number.
12. For Change of Billing Telephone Number	\$25 per change.
13. For a telephone pole, when provided for services other than a permanent exchange line service	\$330 per pole.
14. For connexion device for privately owned apparatus	\$36 per annum. (see <i>Note 2.</i>)
15. For message waiting, internal wiring only	\$24 per annum. (see <i>Note 2.</i>)
16. Surcharge for work undertaken outside normal operating hours at request of subscriber. For each item of work which attracts a standard charge of—	
(a) upto \$500	\$35.
(b) \$501 to \$600	\$55.
(c) \$601 or more	(see <i>Note 1.</i>)
17. For a service at a subscriber's request which is not otherwise provided for in this Schedule	(see <i>Note 1.</i>)
18. For an abortive visit due to mis-reporting of line fault when terminated on equipment not supplied by the Company—	
(a) between 8 a.m. and 5 p.m. on weekdays or between 8 a.m. and 12.30 p.m. on Saturdays	\$125 per visit.
(b) outside the hours mentioned in paragraph(a)	\$245 per visit.
19. For an ex-directory unlisted telephone number—	
(a) where the telephone number is in addition to a listed number in the same name at the same address	Free of charge.
(b) where there is no additional telephone number listed in the same name at the same address (minimum period 12 months)—	
(i) registration	\$100.
(ii) service	\$144 per annum.

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>
20.	For each additional entry in small type in either the English or Chinese section of the Telephone Directory (minimum period 12 months)— (a) registration (b) service	\$100. \$144 per annum.
21.	For change of entry in either the English or Chinese section of the Telephone Directory at the request of subscriber which does not involve a change in registration (pay on receipt of request)	\$100 per entry.
22.	For each additional copy of the Telephone Directory in excess of free allowance	\$30 per volume.

- Note:*
1. In items 1(a), 3(a)(v), 3(b)(ii), 16(c) and 17 a charge calculated in accordance with a costing formula agreed from time to time by the Postmaster General.
 2. In items 1(c), 14 and 15, a connexion fee of \$140 will be charged if no other connexion or removal fee of associated work carried out at the same time.
 3. Any other P.A.B.X. work performed by the Company would be subject to mutual agreement between the Company and the customer.

PART VI

TELEPHONE CALL CHARGES

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>
1.	Local call from a public payphone	\$1 per call.
2.	International telephone call	Such charges as are contained in the terms referred to in section 25 of the Ordinance.
3.	Local operator assisted conference call	\$11 per party per 15 minutes or part thereof.
4.	International operator assisted conference call— (a) Originating party	\$33 per conference call.

<i>Item Particulars of Charge</i>	<i>Amount of Charge</i>
(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	\$11 per party per conference call.

PART VII

OBLIGATORY EQUIPMENT AND SERVICES

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>
1.	For internal extension wiring—	
	(a) connected to a single exchange line with socket or terminal block	\$72 per annum.
	(b) connected to the Private Manual Branch Exchange (P.M.B.X.) switch-board with socket or terminal block	\$72 per annum.
	(c) connexion or removal	\$250.
2.	For a 1+3 switching equipment (all colours)—	
	(a) with battery eliminator	\$240 per annum.
	(b) with battery	\$396 per annum.
	(c) connexion or removal	(see <i>Note 2.</i>)
3.	For Starline Services—	
	(a) rental for features including: abbreviated dialling, do-not-disturb, appointment service, IDD barring and call waiting—	
	(i) any 1 feature	\$108 per annum.
	(ii) any 2 features	\$168 per annum.
	(iii) any 3 features	\$228 per annum.
	(iv) any 4 features	\$276 per annum.
	(v) any 5 features	\$312 per annum.
	(vi) connexion or change of features	\$100.
	(b) (i) rental for conference (3-way) calling	\$108 per annum.
	(ii) connexion or change of features	(see <i>Note 3.</i>)
4.	For Private Manual Branch Exchanges (P.M.B.X.'s) and associated equipment—	

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>
	(a) P.M.B.X. (5+20) switchboard—	
	(i) rental	\$1,440 per annum.
	(ii) connexion or removal to a different building	\$2,220.
	(iii) removal within the same building of switchboard only	\$550.
	(vi) removal within the same building of associated apparatus	\$660.
	(b) P.M.B.X. (10+30) switchboard—	
	(i) rental	\$2,640 per annum.
	(ii) connexion or removal to a different building	\$4,180.
	(iii) removal within the same building of switchboard only	\$880.
	(iv) removal within the same building of associated apparatus	\$1,210.
	(c) P.M.B.X. (10+50) switchboard—	
	(i) rental	\$3,960 per annum.
	(ii) connexion or removal to a different building	\$4,510.
	(iii) removal within the same building of switchboard only	\$1,100.
	(iv) removal within the same building of associated apparatus	\$1,320.
	(d) P.M.B.X. (any other capacity) switchboard—	
	(i) rental for capacity of 12 indicator or less	\$792 per annum.
	(ii) rental for each additional indicator	\$72 per annum.
	(iii) connexion or removal to a different building	(see <i>Note 1.</i>)
	(iv) removal within the same building	(see <i>Note 1.</i>)
5.	For each additional operator handset or headset	\$108 per annum. (see <i>Note 2.</i>)
6.	For miscellaneous apparatus—	
	(a) small extension bell—	
	(i) rental	\$72 per annum.
	(ii) connexion or removal	\$250.
	(b) large extension bell—	
	(i) rental	\$84 per annum.
	(ii) connexion or removal	\$250.

<i>Item</i>	<i>Particulars of Charge</i>	<i>Amount of Charge</i>
	(c) 4-metres long connecting cord	\$44 per cord. (see <i>Note 2.</i>)
	(d) 6-metres long connecting cord	\$66 per cord. (see <i>Note 2.</i>)
	(e) special dial ring	\$6 per telephone. (see <i>Note 2.</i>)
	(f) special dial label	\$1 per telephone. (see <i>Note 2.</i>)
	(g) bell cut-off switch	\$24 per annum. (see <i>Note 2.</i>)
	(h) watch receiver	\$48 per annum. (see <i>Note 2.</i>)
	(i) lamp signalling device mains operated	\$48 per annum. (see <i>Note 2.</i>)
	(j) lamp signalling transformer	\$72 per annum. (see <i>Note 2.</i>)
	(k) lamp signalling handset	\$60 per annum. (see <i>Note 2.</i>)
	(l) amplifying handset	\$84 per annum. (see <i>Note 2.</i>)
	(m) diversion key unit—	
	(i) rental	\$24 per annum.
	(ii) connexion or removal	(see <i>Note 1.</i>)
7.	For a tropical cyclone warning service (mini-mum period 12 months)—	
	(a) registration	\$100.
	(b) service	\$168 per annum.
8.	For a thunderstorm and heavy rain warning service (minimum period 12 months)—	
	(a) registration	\$100.
	(b) service	\$264 per annum.
9.	For a flood warning service (minimum period 12 months)—	
	(a) registration	\$100.
	(b) service	\$168 per annum.
10.	Advice of duration of an outgoing inter- national telephone call	\$2 per call.

- Note:*
1. In items 4(d)(iii), 4(d)(iv) and 6(m)(ii) a charge calculated in accordance with a costing formula agreed from time to time by the Postmaster General. The charge calculated shall not be less than \$1,375 in respect of item 4(d)(iii) and \$550 in respect of item 4(d)(iv).
 2. In items 2(c), 5, 6(c), 6(d), 6(e), 6(f), 6(g), 6(h), 6(i), 6(j), 6(k) and 6(l) a connexion fee of \$140 will be charged if no other connexion or removal fee of associated work carried out at the same time.
 3. In item 3(b)(ii) a connexion fee of \$100 will be charged if no other connexion or removal fee of associated work carried out at the same time.

He said:—Sir, I rise to move the motion standing in my name in the Order Paper. Section 26(2) of the Telephone Ordinance empowers this Council to amend, by resolution, the Schedule to that Ordinance to establish the maximum charges that may be levied by the Hong Kong Telephone Company.

Charges for line rentals and installation, maintenance and other miscellaneous charges were last increased, by resolution of this Council, with effect from 1 January 1983. At that time, a warning was given that a further round of increases, to meet rising costs, would probably be required in early 1984. I am pleased to report to Members that greater operating efficiency on the part of the Telephone Company has delayed by more than a year the need for such increases.

In April this year, the Telephone Company submitted an application to increase its tariffs by an average of 10 per cent in order to cover increased operating costs and to enable it to maintain its high standard of service. The application has been thoroughly examined and the items in the resolution now before Council are considered to be justified.

The major items include increased rentals for leased circuits and private payphones and increased connection and removal charges. The effect on ordinary business and residential subscribers is modest: the monthly cost of a single business telephone will be increased from \$64 to \$71 and for a single residential telephone from \$43 to \$48. The charges for private automatic branch exchange extensions and internal extensions are to be reduced.

The resolution proposes for the new charges, the first increase for over two and a half years, to take effect from 1 October 1985. I am sure that the public will be pleased to know that, based on current projections, there is unlikely to be any requirement for further increases until 1988.

Sir, I beg to move.

(Mr. CHAN Kam-chuen declared an interest as a Director of the Hong Kong Telephone Company Limited and abstained from voting on this motion.)

Question put and agreed to.

FACTORIES AND INDUSTRIAL UNDERTAKINGS ORDINANCE

THE COMMISSIONER FOR LABOUR moved the following motion:—That the Factories and Industrial Undertakings (Fire Precautions in Registrable Workplaces) (Amendment) Regulations 1985 made by the Commissioner for Labour on 12 June 1985 be approved.

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

The motion seeks this Council's approval of the Factories and Industrial Undertakings (Fire Precautions in Registrable Workplaces) (Amendment) Regulations 1985, made by me on 12 June 1985. In accordance with section 7(3) of the Factories and Industrial Undertakings Ordinance, these regulations have been submitted to the Governor and are now referred to this Council for approval.

Since the Factories and Industrial Undertakings (Fire Precautions in Registrable Workplaces) Regulations came into operation in 1981, experience has shown that some of the regulations are unclear and difficult to interpret.

Existing regulation 4(1)(d) requires every door leading out of a registrable workplace to have a fire resisting period of at least half an hour. In cases where the material of the door needs to be tested to determine its fire resisting period, difficulties have arisen. The amended regulation specifies the types of doors which are acceptable by reference to material, thickness and standard of construction. The amendment does not alter the fire resistance standard required, but will make the regulation easier for factory proprietors to comply with and for the Factory Inspectorate to enforce.

The amended regulation 4(2) makes it clear that every door leading out of a registrable workplace, other than a sliding door, must open outwards without reducing the effective width of any means of escape, irrespective of the size of the workforce.

Under the existing wording of regulation 8, a proprietor who has made an unauthorised building alteration or addition which seriously affects the fire safety of his workplace cannot be prosecuted if the alteration or addition was carried out more than six months before discovery. The amendment makes it clear that the proprietor may be prosecuted if he allows any unauthorised alteration or addition to continue in his workplace.

The amendments have the support of the Labour Advisory Board.

Sir, I beg to move.

Question put and agreed to.

First reading of bills**DEPOSIT-TAKING COMPANIES (AMENDMENT) BILL 1985****SUPPLEMENTARY APPROPRIATION (1984-85) BILL 1985****SUPREME COURT (AMENDMENT) BILL 1985****HONG KONG PRODUCTIVITY COUNCIL (AMENDMENT) BILL 1985****CROWN LANDS RESUMPTION (AMENDMENT) BILL 1985****FORESHORE AND SEA-BED (RECLAMATIONS) BILL 1985****LAND ACQUISITION (POSSESSORY TITLE) (AMENDMENT) BILL 1985****BETTING DUTY (AMENDMENT) BILL 1985****ROAD TRAFFIC (AMENDMENT) BILL 1985****ROAD TRAFFIC (AMENDMENT) (NO. 2) BILL 1985****SECURITIES (AMENDMENT) BILL 1985****STOCK EXCHANGES UNIFICATION (AMENDMENT) BILL 1985****TRAVEL AGENTS BILL 1985****SUPPLEMENTARY MEDICAL PROFESSIONS, MIDWIVES REGISTRATION AND NURSES REGISTRATION (AMENDMENT) BILL 1985****PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) (NO. 2) BILL 1985****PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) (NO. 3) BILL 1985**

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

Second reading of bills

DEPOSIT-TAKING COMPANIES (AMENDMENT) BILL 1985

THE FINANCIAL SECRETARY moved the second reading of:—‘A bill to amend the Deposit-taking Companies Ordinance’.

He said:—Sir, I move that the Deposit-taking Companies (Amendment) Bill 1985 be read the second time.

The purpose of this Bill is twofold. *First*, it seeks to increase from \$50,000 to \$100,000 the minimum size of deposit that registered deposit-taking companies can take. The minimum deposit requirement was first introduced in 1976, and was designed to protect the small depositor by, in effect, debarring him from depositing with a registered deposit-taking company. The effectiveness of this requirement has clearly been eroded by the passage of time and an increase in the amount of the minimum deposit is needed.

If this Bill passes into law, the new limit of \$100,000 will take effect on 1 March 1986. Clause 2(b) of the Bill expressly provides that deposits taken before but maturing after the date any new limit takes effect can run to maturity.

Sir, Members of this Council will recollect that the Financial Secretary, Sir John BREMRIDGE, announced the intention to revise the minimum deposit requirement for registered deposit-taking companies in his Budget speech earlier this year. There has since been no discernible public reaction to that announcement. Nor has any representation been received from registered deposit-taking companies.

The *second* purpose of this Bill is to remove a technical anomaly arising from section 27 of the Ordinance. That section prohibits the issue of an advertisement or invitation soliciting the deposit of moneys. However, wholesale markets are developing in Hong Kong in instruments such as commercial paper and certificates of deposit. Advertisements and invitations relating to the issue of these instruments are usually authorised by the Securities Commission under the Protection of Investors Ordinance (Chapter 335). But there is some uncertainty as to whether transactions relating to these instruments could be interpreted as depositing money. Hence advertisements or invitations may be prohibited under section 27 of the Deposit-taking Companies Ordinance. It would, of course, be anomalous and undesirable for advertising materials which have been authorised under one Ordinance to run the risk of being unlawful under another. Clause 3 of the Bill seeks to remove this anomaly.

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

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

Question put and agreed to.

SUPPLEMENTARY APPROPRIATION (1984-85) BILL 1985

THE FINANCIAL SECRETARY moved the second reading of:—‘A bill to approve a supplementary appropriation to the service of the financial year which ended on 31 March 1985’.

He said:—Sir, I move that the Supplementary Appropriation (1984-85) Bill 1985 be read the second time.

Section 9 of the Public Finance Ordinance states, ‘If at the close of account for any financial year it is found that expenditure charged to any head is in excess of the sum appropriated for that head by an Appropriation Ordinance, the excess shall be included in a Supplementary Appropriation Bill which shall be introduced into the Legislative Council as soon as practicable after the close of the financial year to which the excess expenditure relates’.

The accounts for the financial year 1984-85 have been finalised by the Director of Accounting Services. Actual revenue amounted to \$36,343 million and total expenditure to \$36,902 million. The final shortfall is thus \$559 million as compared with an estimated \$690 million mentioned in Sir John BREMRIDGE’s concluding speech in the Budget debate last April*. As Members will recollect, the deficit originally envisaged in the 1984 Budget was \$2.1 billion.

Whilst the actual expenditure on General Revenue Account for the whole of the financial year is \$431 million less than the total approved estimate of \$37,333 million in the Appropriation Ordinance 1984, the expenditure charged to 51 heads is in excess of the sum appropriated for those heads by the Ordinance. This is because sufficient offsetting savings could not be found within the heads concerned. In accordance with section 9 of the Public Finance Ordinance, this excess has been included in the Supplementary Appropriation (1984-85) Bill 1985 now before Members. The Bill seeks to give final legislative authority for the amount of supplementary provision approved in respect of particular heads of expenditure by the Finance Committee or under powers delegated by it.

The *total* net supplementary appropriation required in respect of the 51 heads of expenditure is \$1,798 million. This excess is largely accounted for by the 1984 salaries revision for the civil service (\$758 million) and government subvented

* Excluding the bond issue the final deficit is \$1.559 billion as compared with the original budgetted deficit of \$2.1 billion and the revised estimate of \$1.695 billion given in paragraph 7 of the concluding speech.

organisations (\$410 million) and for the payment of pensions, retiring allowances and gratuities to contract officers (\$81 million). Other major contributing factors include the transfer of proceeds from the issue of Government Bonds to the Capital Works Reserve Fund (\$1,004 million), and the payment to the Mass Transit Fund to enable the Mass Transit Railway Corporation to pay the premium for the Pak Chai Wan Depot and the development above it (\$248 million).

Savings made in other subheads are due to continued tight control over public expenditure, and I would like to thank the controlling officers and others who have contributed to restraint.

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.

SUPREME COURT (AMENDMENT) BILL 1985

THE ATTORNEY GENERAL moved the second reading of:—'A bill to amend the Supreme Court Ordinance'.

He said:—Sir, I move that the Supreme Court (Amendment) Bill 1985 be read the second time.

This Bill is intended to confirm the powers of the courts in the area of the law concerned with jurisdiction and procedure. In the mid-70s the courts in England developed new remedies which assisted litigants so that their actions in court would not be fruitless. The cases which did this were the 'Mareva' and the 'Anton Piller' cases, and they have started lines of development which have not yet been completed. The courts had always had the power to prevent the destruction of the objects about which parties were contesting but the courts in the 'Mareva' and 'Anton Piller' cases used this power in a novel way so as, in the one case, to prevent the disappearance of assets and in the other the destruction of evidence. These new forms of judicial remedy were given statutory recognition in England by the Supreme Court Act 1981. Since our law in matters of High Court jurisdiction, practice and procedure is largely based on the law in England, it is desirable that those provisions in the 1981 Act should be followed here, as this Bill proposes. The effect of the Bill will be to give statutory authority to these powers evolved by the courts. It substantially states the existing law and practice. The Bill also makes it clear that an order to prevent the removal of assets may be made against persons whether they are in Hong Kong or not.

The Bar Association, the Law Society, the Law Department of the University of Hong Kong and the Judiciary have all been consulted over this Bill and it has their support.

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

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

Question put and agreed to.

HONG KONG PRODUCTIVITY COUNCIL (AMENDMENT) BILL 1985

THE SECRETARY FOR TRADE AND INDUSTRY moved the second reading of:—'A bill to amend the Hong Kong Productivity Council Ordinance'.

He said:—Sir, I move that the Hong Kong Productivity Council (Amendment) Bill 1985 be read the second time.

The Hong Kong Productivity Council (H.K.P.C.) was established in 1967 by statute to promote the increased productivity of industry in Hong Kong. In its early years, the activities of the H.K.P.C. were concentrated mainly on the provision of training and consultancy to industry. With the implementation of various recommendations on industrial development in the Report of the Advisory Committee on Diversification of the Hong Kong Economy, the H.K.P.C. has since 1980 been assuming a more active approach in the provision of direct industrial support services and facilities to industry.

In the light of the changing role of the council, a review was undertaken by the Administration in conjunction with the H.K.P.C. to consider the amendments required to its legislative and financial framework to enable it to further discharge its broadened range of responsibilities.

The amendments now proposed in the Bill stem from this review. The Bill provides for *firstly*, the enlargement of the powers of the H.K.P.C. under section 5 to enable it to take advantage of suitable commercial opportunities in furtherance of the objects of the council. These opportunities will include, for example, the patenting of inventions developed by the H.K.P.C. and receiving royalties therefrom, participation in joint ventures including the exchange of the council's knowhow with a company for its shares and the hiving-off of development projects initiated by the H.K.P.C. to the private sector. *Secondly*, it removes from the principal Ordinance the various references to the Productivity Centre. The Productivity Centre, which was established under section 14, possesses no legal personality separate from the council; it is therefore meaningless to maintain the distinction between the Hong Kong Productivity Council and Centre. Accordingly, the Bill proposes to merge the council and the centre into one single entity. *Thirdly*, the Bill modifies the financial framework of the council to allow the council to carry out its functions with greater flexibility. *Finally*, the Bill enables the H.K.P.C. to make use of whatever spare capacity it may have in times of slack demand in Hong

Kong to undertake productivity-related assignments outside Hong Kong. It is envisaged that this provision will only be used sparingly, but with it, the H.K.P.C. will be in a position to provide its services to the many Hong Kongbased firms which also operate outside Hong Kong. I would add that such work would be charged at a rate not less than full cost recovery.

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

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

Question put and agreed to.

CROWN LANDS RESUMPTION (AMENDMENT) BILL 1985

THE SECRETARY FOR LANDS AND WORKS moved the second reading of:—'A bill to amend the Crown Lands Resumption Ordinance'.

He said:—Sir, I rise to move the second reading of the Crown Lands Resumption (Amendment) Bill 1985.

The principal object of this Bill is to allow payment of interest on provisional payments. Section 16A of the principal Ordinance enables the Director of Lands, in his capacity as the Authority, to make provisional payments of compensation pending the determination by the Lands Tribunal of disputed claims for compensation for the resumption of land by the Crown. The amount of the provisional payment is deducted from the final award. As the law now stands, if no provisional payment is made interest would be paid on the whole award when determined by the Land Tribunal. However when a provisional payment is made that sum would not attract interest between the date liability arose and the date the provisional payment is made. This arrangement is considered unsatisfactory and clause 2 of the Bill amends the section so as to enable the Authority to pay interest on such payments, calculated having regard to the lowest rate payable from time to time by members of the Hong Kong Association of Banks on time deposits.

The revised arrangements are included in the new Foreshore and Sea-Bed (Reclamations) Bill, and it is proposed to amend the Land Acquisition (Possessory Title) Ordinance, which has a similar clause, to bring it into line also.

Sir, I move that the debate be now adjourned.

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

Question put and agreed to.

FORESHORE AND SEA-BED (RECLAMATIONS) BILL 1985

THE SECRETARY FOR LANDS AND WORKS moved the second reading of:—'A bill to provide for the publication of proposals in respect of reclamations over and upon any foreshore and sea-bed; to make provision in respect of objections to the proposals, the payment of compensation and connected matters; and to repeal the Public Reclamations and Works Ordinance and the Foreshores and Sea Bed Ordinance'.

He said:—Sir, I rise to move the second reading of the Foreshore and Sea-Bed (Reclamations) Bill 1985.

The main object of the Bill is to repeal and replace the Public Reclamations and Works Ordinance and the Foreshores and Sea Bed Ordinance.

There are at present two Ordinances dealing with use and reclamation of foreshore and sea-bed. The Public Reclamations and Works Ordinance is normally used when the works are to be carried out by Government for a public purpose while the Foreshores and Sea Bed Ordinance is used when the sea-bed is to be leased to a private individual or organisation to carry out such works for private purposes.

Leaving aside minor points of difference, the two Ordinances serve basically the same functions, that is to give notice of the works proposed to be done; invite objections; consider whether the scheme should proceed in original or amended form, or at all; and compensate those whose rights are injuriously affected if the works are authorised.

Existence of two Ordinances to serve essentially the same purpose has in the past given rise to duplication of gazetting procedures, particularly in cases where it has not yet been decided whether the Government or the private sector would carry out the work, or where plans are changed. For example a reclamation proposed as part of Government's development programme might be gazetted under the Public Reclamations and Works Ordinance, the ultimate intention being to dispose of the formed land to private developers in the usual way. It may later be decided that the same reclamation should instead be carried out by a private developer directly in exchange for a grant of the site and payment of premium. Where circumstances change like this, de-gazetting under one Ordinance and re-gazetting under the other may be required. Where plans were not firm, simultaneous gazetting under both Ordinances was sometimes carried out in the past.

Consolidation will eliminate these problems while retaining the public's essential rights to be informed, to object and to be compensated. Opportunity is taken also to bring this Ordinance into line with others dealing with compensation matters by allowing for reimbursement of professional fees reasonably incurred in connexion with a claim.

The new Bill also borrows from the Crown Lands Resumption Ordinance the concept of provisional payments, so that where Government and the claimant cannot reach agreement over compensation the Government may, pending final determination by the Lands Tribunal, make a provisional payment on account which amount is then deducted from the final award.

Sir, I move that the debate be now adjourned.

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

Question put and agreed to.

LAND ACQUISITION (POSSESSORY TITLE) (AMENDMENT) BILL 1985

THE SECRETARY FOR LANDS AND WORKS moved the second reading of:—‘A bill to amend the Land Acquisition (Possessory Title) Ordinance’.

He said:—Sir, I rise to move the second reading of the Land Acquisition (Possessory Title) (Amendment) Bill 1985.

The principal object of this Bill is to allow payment of interest on provisional payments. Section 9 of the principal Ordinance enables the Director of Lands to make provisional payments of compensation pending the determination by the Lands Tribunal of disputed claims for compensation in respect of any acquisition of land, required for public purposes that is or may be held under a possessory title by virtue of the Limitation Ordinance. Clause 2 of the Bill amends the section to enable the director to pay interest on such payments, calculated having regard to the lowest rate payable from time to time by members of the Hong Kong Association of Banks on time deposits.

Sir, I move that the debate be now adjourned.

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

Question put and agreed to.

BETTING DUTY (AMENDMENT) BILL 1985

THE SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION moved the second reading of:—‘A bill to amend the Betting Duty Ordinance’.

He said:—Sir, I move the second reading of the Betting Duty (Amendment) Bill 1985.

The purpose of this Bill is to amend the Betting Duty Ordinance so that the Royal Hong Kong Jockey Club can be reimbursed the exact expenses for providing facilities for the Hong Kong Lotteries Board to conduct Mark VI lotteries.

Section 4C(2) of the Betting Duty Ordinance provides for the Lotteries Board to pay to the Jockey Club such percentage of the proceeds of a lottery as the board, with the approval of the Chief Secretary, may from time to time determine in discharge of all operating costs incurred or charged by the club for running the Government's Mark VI lotteries.

The Attorney General's Chambers have advised that on a proper construction, section 4C(2) requires that the percentage of the proceeds of a lottery payable to the Jockey Club be pre-determined. There is no provision under existing laws to reimburse the club should the pre-determined percentage in respect of its budgeted percentage share prove inadequate to meet all actual expenses when the accounts are finalised and audited, nor is there provision to require the club to pay into the Lotteries Fund any excess of its pre-determined percentage share. In the past, the club undertook to place any such surpluses from its percentage share, through the Lotteries Board, to the Lotteries Fund on its own initiative, although there was no requirement under the law for the club to do so.

In a recent review, the principle that payment to the club should be no more or less than the actual operating expenses was agreed between the Government and the Lotteries Board.

The present Bill stipulates that the club is required to pay any surplus in excess of its actual expenses from the percentage share into the Lotteries Fund. It also authorises payment to be made out of the Lotteries Fund when the club's actual operating expenses exceed the amount of the percentage share paid to it. The Bill, therefore, provides a more satisfactory basis for the Lotteries Board to pay the club for conducting Mark VI lotteries.

Separately, the Secretary for Health and Welfare is examining the effects of this Bill on the financing of social welfare projects by the Lotteries Fund, as is the club in considering ways and means of improving the overall turnover of Mark VI lotteries, which will, as a consequence, increase the amount of funds available each year for social welfare projects.

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

Motion made. That the debate on the second reading of this Bill be adjourned— SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION.

Question put and agreed to.

ROAD TRAFFIC (AMENDMENT) BILL 1985

THE SECRETARY FOR TRANSPORT moved the second reading of:—‘A bill to amend the Road Traffic Ordinance’.

He said:—Sir, I moved the second reading of the Road Traffic (Amendment) Bill 1985.

The object of this Bill is to allow private garages to carry out annual inspections of older private cars to check that they are roadworthy.

Regular vehicle examinations are necessary to reduce the likelihood of accidents. In 1984 mechanical defects were identified as being a contributory factor in almost 2 000 traffic accidents causing injury. This amounted to 12 per cent of the total number of accidents in that year. The Government’s objective in respect of private cars is to examine annually all vehicles over six years old. However, the Government lacks sufficient resources to meet this objective, and indeed at present, it is not able to examine any private cars on an annual basis. The Transport Department operates four vehicle examination centres and these are fully committed to the inspection of all public service vehicles and older goods vehicles. There are plans to construct four more centres but since these are required for the expanding fleet of public service vehicles and all goods vehicles, there is no prospect of the department examining private cars in the foreseeable future.

Using the private sector would make it possible for cars over six years old to be examined annually and would obviate the need for expenditure on new vehicle examination centres in addition to the four already planned. In 1983 a working group comprising representatives of the Motor Traders Association, the Transport Department and the I.C.A.C., drew up a detailed scheme for the annual inspection of cars by the private sector. The scheme would involve the designation of suitable garages as car testing centres which would be authorised to conduct annual inspections and issue certificates of roadworthiness subject to conditions set by the Commissioner for Transport. It is expected that at least 12 garages would be designated at the start of the scheme and these would offer car owners a wide choice of locations in Hong Kong, Kowloon and the New Territories.

A garage would be designated as a car testing centre under section 88C of the Bill but only after its premises had been inspected to establish the adequacy of its facilities and equipment. A designation would be valid initially for three years and could be renewed for further three-year periods.

Car testing centres would have to comply with a code of practice, the requirements of the Eighth Schedule to the Ordinance and any conditions specified in the designation notice. Most of the detailed requirements are set out in the code of practice. For example, this document specifies the inspection

procedures, which are based upon those used in the Government's own vehicle examination centres, as well as the equipment and checklists which are to be used in conducting examinations. This should ensure that inspections are fair and that standards are consistent. Notwithstanding this, if a car owner is dissatisfied with the result of an inspection, he would have the right to appeal to the Transport Department for a fresh independent examination.

Garage staff would have to attend a training course at a government vehicle examination centre and would be assessed for competence. If they are up to standard, they would be appointed as approved car testers under section 88F. The Eighth Schedule to the Ordinance stipulates that examinations are to be conducted only by approved car testers.

The Transport Department would carry out regular visits to car testing centres in order to monitor inspections and to ensure that the uniformity of standards is maintained. Section 88G allows officers of the Transport Department to enter car testing centres for this and other purposes, and makes it an offence to obstruct such officers in the execution of their duty. The commissioner would have the power under section 88D to revoke the designation of a car testing centre if it fails to comply with the code of practice or if it ceases to trade or becomes bankrupt.

The fees payable by car owners are set out in the Eighth Schedule to the Ordinance. The examination fee would be \$160 which is the same as the fee for car inspections at the Government's vehicle examination centres. A re-check fee of \$50 would be charged when defects at a first inspection were remedied and examined within 14 days. In the case of specified minor faults the re-check would be free of charge.

Sir, when a car passes an examination, the car testing centre would issue a certificate of roadworthiness, the details of which would be passed to the Transport Department. Cars over six years old would be re-licensed only upon the presentation of a valid certificate. Thus, clause 2 amends section 25(1)(iii) of the Ordinance to empower the Commissioner to refuse to license a car if it has not passed an examination at a car testing centre.

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

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

Question put and agreed to.

ROAD TRAFFIC (AMENDMENT)(NO.2) BILL 1985

THE SECRETARY FOR TRANSPORT moved the second reading of:—‘A bill to amend the Road Traffic Ordinance’.

He said:—Sir, I move the second reading of the Road Traffic (Amendment) (No. 2) Bill 1985.

The purpose of this Bill is to enable the Commissioner for Transport to assign a permitted gross vehicle weight to an individual goods vehicle.

The maximum weight that can be carried safely, can be different for individual vehicles within the same class of heavy, medium or light goods vehicle. For this reason, it has been the practice for the commissioner to assign a permitted gross vehicle weight to an individual vehicle after taking into account such factors as the manufacturers design capacity and any local adaptations made to the vehicle body. However, due to an oversight, this provision was omitted from the new Road Traffic Ordinance introduced on 25 August 1984 which only allows the commissioner to prescribe different gross vehicle weights for various classes of vehicle rather than for individual vehicles. The Bill overcomes this problem by amending the definition of permitted gross vehicle weight so that it means the maximum gross vehicle weight assigned or determined by the commissioner as opposed to the maximum gross vehicle weight prescribed for a class of vehicle. It also validates individual permitted gross vehicle weights assigned by the commissioner since 25 August 1984.

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

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

Question put and agreed to.

SECURITIES (AMENDMENT) BILL 1985

THE SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—'A bill to amend the Securities Ordinance'.

He said:—Sir, I move that the Securities (Amendment) Bill 1985 be read the second time.

The Bill has four main objectives: *first*, to provide for the registration of dealing partnerships and investment advisers' partnerships; *second*, to require new dealers to have certain qualifications and experience; *third*, to ensure the financial viability of dealers by requiring them to meet certain financial requirements; and *fourth*, to strengthen the powers of the Commissioner for Securities in respect of the registration of dealers.

At present, individuals and corporations may apply to be registered as dealers. Given the decision to permit partnerships to trade in the Unified Exchange, provision for the registration of partnerships, as dealing partnerships under the Securities Ordinance, is required. The Bill makes similar provision for the registration of investment advisers' partnerships.

In view of the need to continue to improve the quality and standard of stockbroking activities, the Bill introduces new and important experience, qualification and financial requirements for dealers.

Dealers will be required either to have at least three years' experience in dealing in securities in Hong Kong or on any recognised overseas stock market, or have passed a professional examination approved by the Securities Commission.

All dealers will be required to comply with certain minimum financial requirements. *First*, individual dealers and dealing corporations must maintain in the stockbroking business a minimum net capital of \$1 million and \$5 million respectively. For dealing partnerships, the minimum net capital requirement will be calculated according to the number and type of registered dealers in the partnership. *Second*, a minimum liquidity margin—10 per cent of the minimum net capital requirement—will have to be maintained. A schedule of approved assets and ranking liabilities for the purpose of calculating the net capital and the liquidity margin will be prescribed by the Securities Commission.

To safeguard further the interests of investors, the Bill proposes to strengthen the powers of the Commissioner for Securities in monitoring dealers' financial viability. On becoming aware of their inability to comply with the specified financial requirements, dealers will be required to cease trading and to inform the Commissioner for Securities, who may then revoke or suspend registration. Auditors who, during the performance of their duties, discover that a dealer has failed to comply with the requirements, will have to notify the commissioner. The commissioner is further empowered to examine at will the accounts and books of any dealers. The Bill provides additional grounds for the commissioner to refuse, revoke or suspend the registration or renewal of registration of a dealer or an investment adviser and to inquire into allegations of misconduct.

Finally, provisions previously contained in the First Schedule to the Stock Exchanges Unification Ordinance, together with necessary amendments, are now re-enacted in Part III of the Bill.

Sir, the provisions contained in this Bill have been drawn up in consultation with and have the full support of the Securities Commission and the Committee of the Unified Exchange.

It is proposed that Part II of the Bill, which deals principally with registration matters, be brought into operation once the subsidiary legislation on such matters is made. Part III of the Bill will then come into force when the Unified Exchange commences operation in early 1986.

Sir, I move that debate in this motion be adjourned.

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

Question put and agreed to.

STOCK EXCHANGES UNIFICATION (AMENDMENT) BILL 1985

THE SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—'A bill to amend the Stock Exchanges Unification Ordinance'.

He said:—Sir, I move that the Stock Exchanges Unification (Amendment) Bill 1985 be read the second time.

The principal objective of the Bill is to provide new membership criteria for the Unified Stock Exchange.

At present, only individuals are eligible for membership of the Unified Exchange. In view of the important role played by corporations and banking institutions in stock markets, and the growing maturity of the securities industry in Hong Kong, it is considered desirable—and timely—to allow the Unified Exchange to introduce corporate membership. The Bill enables locally incorporated body corporates, including subsidiaries of banks and deposit-taking companies, to become eligible to apply to the Unified Exchange for corporate membership. Applications will be considered in accordance with the Constitution and Rules of the Exchange Company but the prerequisites are that the corporations must be of good financial standing and integrity and already be registered as dealers under the Securities Ordinance.

The Bill also removes the current disqualifications against directors and employees of bank and deposit-taking companies, solicitors and professional accountants from becoming members of the Unified Exchange. It also provides for the formation of partnerships.

Sir, I trust the new membership provisions will meet the aspirations of the financial sector and further the development of the securities industry and, at the same time, will serve the interests of both the broking and investing communities.

To enhance the Exchange Company's role in monitoring the activities of its members, the Bill imposes a duty on the Exchange Company to ensure its member's compliance with certain minimum financial requirements: these requirements are specified in section 65B of the Securities Ordinance. Clause 11 of the Bill enables the Exchange Company to make rules for its better fulfilment of this statutory duty.

Lastly, the Bill removes certain time-expired provisions relating to the setting up of the Unified Exchange and repeals the former First Schedule to the Ordinance. This schedule, setting out amendments to the Securities Ordinance, is now incorporated into the Securities (Amendment) Bill 1985 which has been laid before this Council today.

The proposals reflected in the Bill have been the subject of lengthy and detailed discussion by the Securities Commission and by the Committee of the Unified Exchange and have their support.

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

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

SECRETARY FOR ECONOMIC SERVICES.

Question put and agreed to.

TRAVEL AGENTS BILL 1985

THE SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—‘A bill to provide for the control and regulation of travel agents providing travel services in respect of travel outside or outward from Hong Kong, the appointment of a Registrar of Travel Agents, the establishment of an Advisory Committee on Travel Agents, the licensing of travel agents, the establishment of a reserve fund and for matters connected therewith or incidental thereto’.

He said:—Sir, I move that the Travel Agents Bill 1985 be read the second time.

The principal purpose of this Bill is to protect consumers. It does so by the establishment of a system of licensing of travel agents who provide outbound travel services and the creation of a reserve fund from which *ex gratia* payments may be made to clients in the event that court judgments against such travel agents cannot be satisfied. The Bill also aims to provide the basic framework on which the travel industry can develop its own standards and self-regulation.

The special nature of the travel business, especially in respect of outbound activities, makes members of the travelling public vulnerable to travel agents who abscond or who become insolvent. In offering a future service to his clients in an overseas destination, a travel agent assumes a position of trustee when he receives money in advance from his clients. Since the late 1970s, there have been serious abuses of trust by a number of travel agents who absconded after having received deposits and payments from clients.

Parts II and III of the Bill require a person who wishes to carry on outbound travel services in Hong Kong to obtain a licence and set out the registrar’s powers in relation to licensees. A person who operates as a travel agent without a licence commits an offence punishable by a maximum fine of \$100,000 and two years’ imprisonment. Only a ‘fit and proper person’ may obtain a licence. For the purpose of this Bill, a person is not fit and proper if, among other things, he has been convicted of an offence involving fraud, corruption or dishonesty, or is insolvent. An application for a licence may be refused if the premises to which the application relates are not suitable for the operation of the business of a travel agent. The licensing criteria to be applied is not over-stringent: some may regard it as too lax, but it is *not* the Government’s intention to stifle healthy competition.

The Bill provides for a person who publishes advertisements for a travel service to be satisfied, before so doing, that the agent is licensed *or* exempt from licensing. The aim of this measure is to eliminate advertisement from unlicensed agents in the media. Before publishing advertisements for travel services, publishers will be able to check with the Registrar's Office or consult the Government Gazette that the agent is licensed. The cooperation of the media in this manner will do much to help the ordinary citizen.

Sir, legislation alone cannot prevent abscondments or insolvency. Part IV of the Bill therefore provides for the establishment of a Travel Agents' Reserve Fund to be funded primarily by levy imposed on each licensee. This will be a fund of last resort. An *ex-gratia* payment can be made from it by the registrar upon application by a person who has obtained a judgement for a sum of money against a licensee or who has lodged a proof of debt, either of which is unsatisfied. Payments in respect of such judgements or proof of debt are to be limited to the provision of travel services provided by a licensed travel agent.

Sir, let me now turn to the operation of the licensing scheme and the reserve fund. An office of the Registrar for Travel Agents will be established. The registrar will be responsible for the vetting of licence applications, the administration of the fund and the enforcement of this legislation. It is expected that the office of the registrar will become operative in early 1986, hopefully before the Lunar New Year when so many Hong Kong people travel.

To provide the necessary guidelines for the efficient operation of the Ordinance, clause 7 provides for an Advisory Committee on Travel Agents to be established. The advisory committee will examine such matters as the administration of the Ordinance and will have regard to the interests of both travel agents and their customers. It is in this committee that I foresee proposals being developed for the further development of standards and self-regulation in the industry.

The proposals contained in the Bill have been formulated on the advice of the Working Party on Travel Agents. I am indeed grateful to all the members who have had to spend so much time in striking the right balance between the interests of the industry and of the public.

Sir, if the Bill is enacted, members of the public should receive a degree of protection. At the same time, the travel industry itself should have a forum in which it can be able to come together to build a self-regulatory framework, which I believe is the proper approach to achieve improved quality and professionalism.

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

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

Question put and agreed to.

SUPPLEMENTARY MEDICAL PROFESSIONS, MIDWIVES REGISTRATION AND NURSES REGISTRATION (AMENDMENT) BILL 1985

THE SECRETARY FOR HEALTH AND WELFARE moved the second reading of:—‘A bill to amend the Supplementary Medical Professions Ordinance, to amend the Midwives Registration Ordinance and the Nurses Registration Ordinance, and for matters connected therewith or incidental thereto’.

He said:—Sir, I move that the Supplementary Medical Professions, Midwives Registration and Nurses Registration (Amendment) Bill 1985 be read the second time.

This is a Bill mainly designed to seek certain amendments to the Supplementary Medical Professions Ordinance. In respect of that Ordinance, the Bill has three main objects.

First, the Bill seeks to expand the regulation making powers set down in the Ordinance. This is necessary because the sets of regulations relating to the paramedical professions to be made under the Ordinance are now at an advanced drafting stage and, without such an amendment, some of the provisions of these regulations will be *ultra vires*.

Secondly, as a first step towards placing the optometry profession under legislative control, the Bill seeks to bring optometrists within the ambit of the Ordinance. The way will then be open to make regulations prescribing the qualifications for registration as an optometrist and the disciplinary procedures applicable to members of that profession.

Thirdly, the Bill seeks to impose a requirement that at least one director of a company carrying on the business of a para-medical profession should be professionally qualified to the standard required to practise that profession on his own account. Such a requirement is considered to be appropriate having regard to a proposal in the regulations to be made under the Ordinance that a member of a para-medical profession should be debarred from carrying on the business of practising his profession on his own account or in a partnership unless he has the additional experience necessary to qualify him for registration to so practise.

The opportunity has been taken to make certain other improvements to the Ordinance and, in particular, to align some of its provisions to those in similar ordinances, such as the Dentists Registration Ordinance and the Medical Registration Ordinance.

The Bill also seeks to simplify the procedures for registration under the Supplementary Medical Professions Ordinance, the Midwives Registration Ordinance and the Nurses Registration Ordinance—hence the title of this Bill.

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

Motion made. That the debate of the second reading of this Bill be adjourned—SECRETARY FOR HEALTH AND WELFARE.

Question put and agreed to.

PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) (NO. 2) BILL 1985

THE SECRETARY FOR HEALTH AND WELFARE moved the second reading of:—‘A bill to amend the Public Health and Urban Services Ordinance’.

He said:—Sir, I move that the Public Health and Urban Services (Amendment) (No. 2) Bill 1985 be read the second time.

Under the Public Health and Urban Services Ordinance, the definition of ‘food’ excludes live animals, live birds or live fish. It is, therefore, not possible to make regulations relating to the composition of food under section 55 of the Ordinance to cover live animals, live birds or live fish. In spite of the definition of ‘food’, however, section 57 of the Ordinance provides the necessary enabling power for regulations relating to food hygiene to be made under section 56 to cover live poultry, live reptiles and live fish as if they were food. The Bill seeks to extend the coverage of section 57 so that the Governor in Council may make regulations relating to the composition of food under section 55 to cover live poultry, live reptiles and live fish as if they were food.

This amendment is necessary because of the need to make regulations to prohibit the sale by retail of live poultry containing harmful hormone residues. If this Bill is approved, it is proposed to make such regulations shortly.

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

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

Question put and agreed to.

PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) (NO. 3) BILL 1985

THE SECRETARY FOR HEALTH AND WELFARE moved the second reading of:—‘A bill to amend the Public Health and Urban Services Ordinance’.

He said:—Sir, I move that the Public Health and Urban Services (Amendment) (No.3) Bill 1985 be read the second time.

For reasons of public health and hygiene, it is sometimes necessary for the licensing authority, that is the Urban Council in the urban areas and the Director of Regional Services in the New Territories, to impose new conditions or to vary existing ones upon the renewal of any registration, licence or permit. The existing procedure to achieve this under the Public Health and Urban Services Ordinance is unnecessarily cumbersome. The Bill seeks to change this by empowering the licensing authority to impose additional or alternative conditions upon renewal of any registration, licence and permit provided that he gives the licensee or the permittee notice of his intention to impose additional or alternative conditions not less than 90 days before the date of expiry of such registration, licence or permit.

The Bill also seeks to extend the period allowed for an application for review of a decision of the licensing authority from seven to 14 days to give the applicant more time to prepare the application.

The contents of the Bill have been endorsed in principle by the Urban Council and the Provisional Regional Council.

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

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

Question put and agreed.

PRIVILEGES AND IMMUNITIES (JOINT LIAISON GROUP) (AMENDMENT) BILL 1985

Resumption of debate on second reading (10 July 1985)

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).

BUILDINGS (AMENDMENT) BILL 1985**Resumption of debate on the second reading (10 July 1985)**

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).

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL 1985**Resumption of debate on the second reading (10 July 1985)**

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).

MERCHANT SHIPPING (AMENDMENT) BILL 1985**Resumption of debate on second reading (12 June 1985)**

Question proposed.

MR. PETER C. WONG:—Sir, during the passage of Typhoon Ellen on 9 September 1983, the Barquentine Osprey foundered at sea with the loss of eight lives.

On 29 December 1983, the Governor appointed a Marine Court, under section 52(1) of the Merchant Shipping Ordinance, to investigate into the casualty. The Marine Court reported on 30 July 1984.

Since the report was made, Sir, according to the Administration, fresh evidence has emerged which tends to contradict several of the Findings of Facts

of the Report. The Administration is of the view, Sir, that the new evidence suggests that a rehearing should be ordered.

Under the Merchant Shipping Ordinance, a rehearing may only be held under section 56(1) in cases in which—

‘an investigation into the conduct of a holder of a certificate of competency has been held.’

The warrant appointing the Marine Court in the case of *Osprey* related only to the court making investigation as to the casualty affecting the ship. It is therefore by no means certain that, in view of the wording of section 56(1), a rehearing can be ordered by the Governor in respect of the *Osprey* case even though there was, in fact, an investigation into the conduct of a holder of a certificate of competency during the course of the hearing.

The Bill therefore proposes to amend the principal Ordinance to make clear that the Governor may order the rehearing of an investigation by a Marine Court into the casualty affecting a ship. This amendment is both logical and indeed desirable, and should therefore be supported.

However, clause 2(b) of the Bill stipulates that the amendment shall apply in respect of any investigation whether held before or after the amendment takes effect. Clearly, it introduces a retrospective element and is of direct relevance to the *Osprey* enquiry. UMELCO has received one written representation regarding this aspect of the Bill, which in any event deserves careful examination.

Members of my group met with the Administration on two occasions and held thorough discussions on the concerns expressed. The Attorney General was also present at the second meeting. After careful deliberation, we are of the view that there is merit in the arguments put forward by the Administration in respect of the retrospective element.

There is no legal impediment to making an amendment apply to proceedings already commenced or completed. The real issue is whether it is reasonable to do so.

Generally speaking, retrospective laws offend against the general principle that legislation intended to regulate human conduct ought to deal with future acts and ought not to change the character of past transactions carried on upon the faith of the then existing law.

As regards criminal offences, retrospective operation is never given to a statute. It shocks one's sense of justice that an act legal at the time of doing it should be made criminal by a new enactment.

Likewise, it is equally unjust if a new law converts an act wrongfully done at the time into a legal act in such a way that a person injured by that act is deprived of his remedy.

However, in the field of civil law, retrospective law is permissible and sometimes desirable, such as validating marriages which would otherwise be void owing to some defect in the ceremony.

For the legislator, it is a matter of judging what is reasonable in the circumstances. If the legislation is intended to operate retrospectively to confer a benefit on private persons without imposing a corresponding obligation, then no substantial objection is likely to arise.

Unofficial Members in general share the Administration's view that basic principles have not been infringed. An amendment to enable the reopening of marine enquiry proceedings does not change the nature or character of anything that has occurred. Nor does it impair existing rights or obligations.

The essence of the amendment is procedural. It is to clarify what is perceived to be a present illogical defect in established rehearing provisions relating to Hong Kong marine enquiries.

We accept that the application of the amendment to past as well as future hearings is, in fact, consistent with another important principle, that justice should be done between the parties.

Since clause 2(b) involves important principles of law, the attention of both the Bar Association and the Law Society has been drawn to the retrospective aspect of the Bill.

Sir, with this somewhat lengthy exposition of both fact and law, I support the motion.

SECRETARY FOR ECONOMIC SERVICES:—Sir, the issues to which Mr. Peter C. WONG has referred have been subject to detailed deliberation within the Administration and, later, between the Administration and a UMELCO group chaired by Mr. WONG. These deliberations have further confirmed our view that the proposed legislation is both necessary and desirable.

Sir, I am most grateful to Mr. WONG and his colleagues for the considerable time and trouble which they have taken to examine the legislation and, in particular, to Mr. WONG for his support for the motion.

Sir, I beg to move.

Question put and agreed to.

Bill read the second time.

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

CONTRACTS FOR OVERSEAS EMPLOYMENT (AMENDMENT) BILL 1985**Resumption of debate on second reading (10 July 1985)**

Question proposed.

DR. HO:—Sir, I rise to speak in support of the Contracts for Overseas Employment (Amendment) Bill 1985.

I am happy to note that one principal objective of this Bill is to introduce offences and penalties for non-compliance with certain provisions of the Contracts for Overseas Employment Ordinance.

By virtue of the proposed amendments, certain loopholes in the present Ordinance will be plugged in the interest of the workers. If the Bill is passed, it will become mandatory for written contracts for employment outside Hong Kong to be presented to the Commissioner for Labour for attestation before a worker leaves Hong Kong to take up employment. This procedure provides the commissioner the opportunity to scrutinise the terms and conditions of the contract, thus ensuring that these terms must be comparable to, if not better than, the general employment standards in Hong Kong and that they are adequate to protect the workers' interest. In the event of the contract being breached, the aggrieved worker will be able to get his compensation by claiming against the local guarantor or from the bank bond put up earlier by the overseas employer in case when a local guarantor cannot be found.

Under the present Ordinance, when a contract of employment is terminated as a result of the worker's default or resignation, the worker might risk being denied a paid passage home. The amendment in this Bill unambiguously puts the obligation on the employer to repatriate the worker regardless of how the contract is terminated.

No doubt, as a result of the amendments in this Bill, the Ordinance will be able to provide better protection to our workers taking up employment outside Hong Kong.

When it comes to publicising the effects of this legislation, may I request the Administration not to confine their publicity effort to labour organisations locally; special effort must be made to convey the message to the general workforce, the majority of whom may not belong to any labour organisation or union.

Sir, I have much pleasure in supporting the Bill.

COMMISSIONER FOR LABOUR:—Sir, I would like to thank Dr. HO Kam-fai for his support to the Bill.

Dr. HO made the point that publicity on the amendments should be aimed at the general workforce. The point is well taken and we hope to have the support of the mass media as well as relevant organisations in informing workers interested in employment outside Hong Kong of their rights under the Ordinance and, in particular, the need to ensure that their contracts are attested by the Labour Department.

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).

EMPLOYEES' COMPENSATION (AMENDMENT) (NO.2) BILL 1985

Resumption of debate on second reading (10 July 1985)

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).

FACTORIES AND INDUSTRIAL UNDERTAKINGS (AMENDMENT) BILL 1985

Resumption of debate on second reading (10 July 1985)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

Committee stage of bills

Council went into Committee

PRIVILEGES AND IMMUNITIES (JOINT LIAISON GROUP) (AMENDMENT) BILL 1985

Clauses 1 to 7 were agreed to.

BUILDINGS (AMENDMENT) BILL 1985

Clauses 1 and 2 were agreed to.

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL 1985

Clauses 1 to 5 were agreed to.

MERCHANT SHIPPING (AMENDMENT) BILL 1985

Clauses 1 and 2 were agreed to.

CONTRACTS FOR OVERSEAS EMPLOYMENT (AMENDMENT) BILL 1985

Clauses 1 to 15 were agreed to.

EMPLOYEES' COMPENSATION (AMENDMENT) (NO.2) BILL 1985

Clauses 1 to 5 were agreed to.

FACTORIES AND INDUSTRIAL UNDERTAKINGS (AMENDMENT) BILL 1985

Clauses 1 to 9 were agreed to.

The Schedule was agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

PRIVILEGES AND IMMUNITIES (JOINT LIAISON GROUP) (AMENDMENT) BILL

BUILDINGS (AMENDMENT) BILL

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL

MERCHANT SHIPPING (AMENDMENT) BILL

CONTRACTS FOR OVERSEAS EMPLOYMENT (AMENDMENT) BILL

EMPLOYEES' COMPENSATION (AMENDMENT) (NO. 2) BILL and

FACTORIES AND INDUSTRIAL UNDERTAKINGS (AMENDMENT) BILL

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

Question put on the Bills and agreed to.

Bills read the third time and passed.

Unofficial Member's Bill**Second reading of bill****ROYAL BANK OF SCOTLAND BILL 1985****Resumption of debate on second reading (26 June 1985)**

Question proposed.

SIR ROGER LOBO:—Sir, subsequent to the introduction of the Royal Bank of Scotland Bill into this Council on 26 June 1985, it has been suggested that the provisions of the Bill may have unintended extra-territorial application. After careful consideration, I have decided that it would be advisable to remove from the Bill any possible doubts in this area. Accordingly, I shall move amendments to achieve that purpose in the committee stage.

Although you will see that there are several amendments needed to do this, the effect of the revised Bill continues to be the transfer of the existing Royal Bank of Scotland's Hong Kong business to a new bank as part of the worldwide merger of the banking businesses of Williams & Glyn's Bank and The Royal Bank of Scotland.

Sir, I beg to move.

Question put and agreed to.

Bill read the second time.

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

Committee stage of bill

Council went into Committee

ROYAL BANK OF SCOTLAND BILL 1985

Clauses 1, 2, 3, 6, 10 to 14, 16 to 22 were agreed to.

Clauses 4, 5, 7, 8, 9 and 15

SIR ROGER LOBO:—I move that the clauses specified be amended as set out in the paper circulated to Members.

Proposed amendments

Clause 4

That clause 4 be amended—

(1) by inserting after 'On the appointed day' the following—

'that part of';

(2) by inserting after 'Royal Bank of Scotland' where it firstly appears the following—
 'which is governed by Hong Kong law or the transfer of which is governed by Hong Kong law or which is derived from the Hong Kong business of Royal Bank of Scotland';

Clause 7

That clause 7(1) be amended by inserting after ‘the following provisions shall have effect’ the following—

‘for the purposes of section 4’.

Clause 8

That clause 8(1) be amended by deleting ‘Section 5(1)’ and substituting the following—
‘Section 5(2)’.

Clause 9

That the Bill be amended by deleting clause 9 and substituting the following—

‘9. (1) In this section "the fund" means the group retirement benefit fund established in Hong Kong by policy number GPC-1093 issued by American International Assurance Company Limited to Royal Bank of Scotland.

(2) For the purposes of section 4 and without prejudice to the generality of any other provision of this Ordinance, the policies, rules, regulations and instruments constituting or relating to the fund shall, on and from the appointed day, be construed and have effect, so far as the context permits, as if for any reference therein, express or implied, to Royal Bank of Scotland (except in the name or title of the fund) there were substituted a reference to the Bank, but for the purpose of ascertaining and calculating the right to benefits under the fund, service or employment with Royal Bank of Scotland prior to the appointed day shall be taken into account as if it were service or employment with the Bank.’.

Clause 15

That clause 15(1) be amended by deleting ‘On’ and substituting the following—
‘For the purposes of section 4, on’.

The amendments were agreed to.

Clauses 4, 5, 7, 8, 9 and 15, as amended, were agreed to.

Preamble

SIR ROGER LOBO:—I move that the preamble be amended as set out in the paper circulated to Members.

Proposed amendment

Preamble

That the preamble be amended—

(1) in paragraph (d) by deleting ‘Bill 1985 is being promoted’ and substituting the following—

‘Act 1985 has been passed’;

(2) in paragraph (e)—

(a) by inserting after ‘Royal Bank of Scotland’ where it secondly appears the following—

‘which is governed by Hong Kong law or’; and

(b) by inserting before ‘should be transferred’ the following—

‘or which is derived from the Hong Kong business of Royal Bank of Scotland’.

The amendments were agreed to.

Preamble, as amended, was agreed to.

Council then resumed.

Third reading of bill

SIR ROGER LOBO reported that the

ROYAL BANK OF SCOTLAND BILL

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

Question put on the Bill and agreed to.

Bill read the third time and passed.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday, 7 August 1985.

Adjourned accordingly at twenty minutes past four o'clock.