

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 9 March 1988****The Council met at half-past Two o'clock****PRESENT**

HIS HONOUR THE DEPUTY TO THE GOVERNOR
(THE HONOURABLE THE CHIEF SECRETARY)
SIR DAVID ROBERT FORD, K.B.E., L.V.O., J.P.
THE HONOURABLE THE FINANCIAL SECRETARY (*Acting*)
MR. DAVID ALAN CHALLONER NENDICK, J.P.
THE HONOURABLE THE ATTORNEY GENERAL
MR. MICHAEL DAVID THOMAS, C.M.G., Q.C.
DR. THE HONOURABLE HO KAM-FAI, O.B.E., J.P.
THE HONOURABLE HU FA-KUANG, O.B.E., J.P.
THE HONOURABLE WONG PO-YAN, C.B.E., J.P.
THE HONOURABLE CHAN KAM-CHUEN, O.B.E., J.P.
THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, O.B.E., J.P.
THE HONOURABLE CHEUNG YAN-LUNG, O.B.E., J.P.
THE HONOURABLE MRS. SELINA CHOW LIANG SHUK-YEE, O.B.E., J.P.
THE HONOURABLE MARIA TAM WAI-CHU, O.B.E., J.P.
DR. THE HONOURABLE HENRIETTA IP MAN-HING, O.B.E., J.P.
THE HONOURABLE CHAN YING-LUN, J.P.
THE HONOURABLE MRS. RITA FAN HSU LAI-TAI, O.B.E., J.P.
THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN, J.P.
THE HONOURABLE PETER POON WING-CHEUNG, M.B.E., J.P.
THE HONOURABLE YEUNG PO-KWAN, O.B.E., C.P.M., J.P.
THE HONOURABLE KIM CHAM YAU-SUM, J.P.
THE HONOURABLE JOHN WALTER CHAMBERS, O.B.E., J.P.
SECRETARY FOR HEALTH AND WELFARE
THE HONOURABLE JACKIE CHAN CHAI-KEUNG
THE HONOURABLE CHENG HON-KWAN, J.P.
THE HONOURABLE HILTON CHEONG-LEEN, C.B.E., J.P.
DR. THE HONOURABLE CHIU HIN-KWONG, J.P.
THE HONOURABLE CHUNG PUI-LAM
THE HONOURABLE HO SAI-CHU, M.B.E., J.P.
THE HONOURABLE HUI YIN-FAT
THE HONOURABLE RICHARD LAI SUNG-LUNG
DR. THE HONOURABLE CONRAD LAM KUI-SHING

THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.
THE HONOURABLE DAVID LI KWOK-PO, J.P.
THE HONOURABLE LIU LIT-FOR, J.P.
THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.
THE HONOURABLE PANG CHUN-HOI, M.B.E.
THE HONOURABLE POON CHI-FAI
PROF. THE HONOURABLE POON CHUNG-KWONG
THE HONOURABLE HELMUT SOHMEN
THE HONOURABLE SZETO WAH
THE HONOURABLE TAI CHIN-WAH
THE HONOURABLE MRS. ROSANNA TAM WONG YICK-MING
THE HONOURABLE TAM YIU-CHUNG
DR. THE HONOURABLE DANIEL TSE, O.B.E., J.P.
THE HONOURABLE ANDREW WONG WANG-FAT
THE HONOURABLE LAU WONG-FAT, M.B.E., J.P.
THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, O.B.E., J.P.
SECRETARY FOR EDUCATION AND MANPOWER
THE HONOURABLE MICHAEL LEUNG MAN-KIN, J.P.
SECRETARY FOR TRANSPORT
THE HONOURABLE EDWARD HO SING-TIN, J.P.
THE HONOURABLE GEOFFREY THOMAS BARNES, J.P.
SECRETARY FOR SECURITY
THE HONOURABLE PETER TSAO KWANG-YUNG, C.P.M., J.P.
SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION
THE HONOURABLE CHARLES ROBERT SAUNDERS, J.P.
SECRETARY FOR LANDS AND WORKS (*Acting*)

ABSENT

THE HONOURABLE LYDIA DUNN, C.B.E., J.P.
THE HONOURABLE PETER C. WONG, C.B.E., J.P.
THE HONOURABLE ALLEN LEE PENG-FEI, C.B.E, J.P.
THE HONOURABLE DONALD LIAO POON-HUAI, C.B.E, J.P.
SECRETARY FOR DISTRICT ADMINISTRATION
THE HONOURABLE JOHN JOSEPH SWAINE, C.B.E., Q.C., J.P.
THE HONOURABLE THOMAS CLYDESDALE, J.P.
THE HONOURABLE DESMOND LEE YU-TAI

IN ATTENDANCE

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

Oath

Mr. C. R. SAUNDERS took the Oath of Allegiance.

Papers

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

<i>Subject</i>	<i>L.N. No.</i>
Subsidiary Legislation:	
Public Revenue Protection Ordinance Public Revenue Protection (Dutiable Commodities) Order 1988	49/88
Public Revenue Protection Ordinance Public Revenue Protection (Banking) Order 1988	50/88
Public Revenue Protection Ordinance Public Revenue Protection (Road Traffic) Order 1988	51/88
Public Revenue Protection Ordinance Public Revenue Protection (Stamp Duty) Order 1988.....	52/88
Public Revenue Protection Ordinance Public Revenue Protection (Air Passenger Departure Tax) Order 1988	53/88
Employment Ordinance Employment Agency (Amendment) Regulations 1988	54/88
Hong Kong Airport (Regulations) Ordinance Hong Kong Airport (Traffic)(Amendment) Regulations 1988.....	55/88
Mass Transit Railway Corporation Ordinance Mass Transit Railway Corporation (Permitted Activities) Order 1988	56/88
Revised Edition of the Laws Ordinance 1965 Revised Edition of the Laws (Correction of Error)(No. 2) Order 1988	57/88
Public Health and Municipal Services Ordinance Public Swimming Pools (Regional Council)(Amendment) By- Laws 1988.....	58/88

Sessional Papers 1987-88:

- No. 50—Report of changes to the approved Estimates of Expenditure approved during the second quarter of 1987-88 Public Finance Ordinance: section 8

Address by Member presenting paper**Report of changes to the approved Estimates of Expenditure approved during the second quarter of 1987-88 Public Finance Ordinance: section 8**

FINANCIAL SECRETARY: Sir, in accordance with section 8(8)(b) of the Public Finance Ordinance, I now table for Members' information a summary of all changes made to the approved estimates of expenditure for the second quarter of the financial year 1987-88.

Supplementary provision of \$149.1 million was approved. It was fully offset either by savings under the same head of expenditure or by the deletion of funds under the additional commitments subheads.

Approved non-recurrent commitments were increased by \$199.6 million during the period, and new non-recurrent commitments of \$121.2 million were also approved.

In the same period, a net increase of 1 412 posts were approved.

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

Oral answers to questions**Marine accidents**

1. DR. CHIU asked: *In the light of the recent marine accident involving a Chinese cargo vessel which capsized at Kup Shui Mun on 7 February 1988 leaving three crewmen dead and one missing, will Government inform this Council of its capabilities in dealing with similar and other more serious marine accidents?*

SECRETARY FOR SECURITY: Sir, in serious marine accidents such as that which occurred on 7 February, the Government must rely chiefly for special equipment and skills on the Fire Services Department and assistance from the Royal Navy.

The Fire Services Department has seven fire fighting vessels which carry rescue equipment. The department also has five teams of five divers available at any time. The teams are deployed on land throughout the Territory and have a limited underwater rescue capability in water up to 15 m deep.

The Royal Navy has a diving unit which is trained to the highest standards in a wide range of underwater work including rescue. The unit also has specialist underwater cutting equipment and can be available in about one hour provided they are not deployed on other tasks.

The Marine Department has no equipment which can be used in such accidents. A number of commercial organisations operate specialised salvage equipment which can be called upon to assist but this equipment is designed for salvage rather than rescue work.

DR. CHIU: *Sir, will the Government inform this Council whether the better equipped Royal Navy was called to assist in the rescue operation on 7 February and is there any contingency plan to co-ordinate the efforts of various rescue teams such as the Marine Police, the Fire Services Department and the Royal Navy?*

SECRETARY FOR SECURITY: Sir, the assistance of the Royal Navy Diving Unit was not sought by the officer-in-charge of the rescue attempt. He felt that the resources at his disposal were adequate. The procedures for dealing with such incidents are being reviewed by a special review team which has been set up in the Security Branch and any changes necessary will be made.

Traffic signs

2. DR. IP asked: *Will Government inform this Council whether it has conducted any systematic study on the extent to which poor display and location of traffic signs are contributory factors in their contravention, particularly at spots where most offenders are caught, in order to clarify any public misconception that some such traffic signs are purposeful traps for drivers?*

SECRETARY FOR TRANSPORT: Sir, I can assure Members that no traffic signs are ever so placed as to 'trap' drivers. Traffic signs are provided to help the driver to use the roads safely. They also control effective use of the roads. No studies have been made of the extent to which the poor location of signs is a contributory factor to their contravention. This is because there is already a well established system to ensure that traffic signs are displayed and located properly.

Road signs and markings in Hong Kong follow international conventions and usage. Standards and guidance are provided to traffic engineers and technicians in Government involved in the planning and installation of traffic signs to ensure that they are used and located properly. The most important factors to be considered are:

- first, a sign's location relative to a junction, restriction, hazard or other features to which it applies; and
- second, that the size of the sign is appropriate to the physical conditions of the site and the speed of the vehicles using the road.

Site inspections are conducted both before signs are erected to ensure design is compatible with site conditions and afterwards to ensure they are erected properly.

Transport Department staff also inspect regularly existing signs to ensure that they are maintained in good conditions and are compatible to any changes to road and traffic conditions.

DR. IP: *Sir, I am very impressed that we are planning according to international convention and usage. However, in planning the placement of traffic signs, has Government looked into the maximum number a driver can cope with at any one instance and the minimum reaction time after sighting the signs?*

SECRETARY FOR TRANSPORT: Sir, yes, there is a very comprehensive review by the Transport Department to assess the location and number and usage of traffic signs throughout the Territory. This review was started a few years ago and the total number of signs in Hong Kong have been reduced by about 25 per cent so as to minimise the hazards which some of them might create for drivers and pedestrians. This is an on-going process and we hope to finish this work in about two years' time. I am sure that the factors mentioned by Dr. IP have been taken into account in this comprehensive study and review.

MR. EDWARD HO: *Sir, in the case of traffic signs in major roadways, it is customary practice internationally to place forewarning signs at a distance ahead of the actual signs at major intersections. Will the Secretary inform this Council whether this practice is adopted for Hong Kong and, if so, can he cite some examples?*

SECRETARY FOR TRANSPORT: Sir, the temporary signing arrangements required for traffic diversions which Mr. HO referred to are normally agreed in advance between the contractor, the Transport Department, the Highways Department, and the police before implementation. There is, at the present time, a code of practice for lighting, signing, and guarding road works throughout Hong Kong and all departments concerned are fully aware of the need to ensure that existing standards are maintained and all signs reach the required standards. This is also required of the contractors or anybody involved in road works throughout Hong Kong.

HIS HONOUR THE PRESIDENT: I think the point of the original question may have been missed, Mr. Edward HO.

MR. EDWARD HO: Yes, Sir, I did not mean temporary signs. I mean permanent signs on major roadways where fast moving vehicles are involved. Usually there are two sets of signs: the first set of signs forewarns drivers that the intersection is coming and to watch out for signs and then the actual signs in the junction.

SECRETARY FOR TRANSPORT: Yes, Sir, I take Mr. HO's point. There are of course very detailed arrangements. I do not have the precise details but I am sure the temporary arrangements involved also take into account the need to give

forewarning to drivers before they approach the road works. So this point is well taken into account in the arrangements at the present time.

MRS. CHOW: *Sir, is there a specific channel through which drivers could bring to the attention of the Transport Department signs, especially new signs, the design or location of which might need to be improved upon? If not, can they have one? And if yes, can adequate publicity be given to it?*

SECRETARY FOR TRANSPORT: Yes, Sir, there are at the present time, many channels for the public, including drivers, to pass on their suggestions to the departments concerned; the Highways Department, the police, the Transport Department, and the Transport Complaints Unit of the Transport Advisory Committee. All these channels are available for public suggestions and recommendations. In fact, I am pleased to note that over the last year, quite a number of these suggestions have been acted upon by the departments concerned.

DR. IP: *Sir, I have noted the Secretary's answer that there are no studies being made of the extent and so on and so forth, so I have a request. Could Government table a list of black spots where drivers often make mistakes for publication in the Hansard for public information, and then conduct a systematic study on the extent to which poor display or location or multiplicity of traffic signs are contributory factors in their contravention?*

SECRETARY FOR TRANSPORT: Sir, I will certainly refer the need for a study to the department concerned for consideration. But, as I have said before, the existing arrangements already cover any problem which may arise because of poor location of signs.

MR. CHAN KAM-CHUEN: *Sir, are speed check signs also considered as traffic signs? If so, why are they not placed at eye level but placed on the pavement where passing traffic can hide them from the motorists?*

SECRETARY FOR TRANSPORT: Yes, Sir, speed signs are traffic signs. There is, of course, very detailed guidance on this. Perhaps I should show this to Members. This is a very detailed guidance manual on traffic signs. If Mr. CHAN wishes to refer to it later on, I will be pleased to show this to him. But the details given here already cover all the different conditions, the location, the positioning, and so on of traffic signs. I am sure all the details are in this manual.

MR. MARTIN LEE: *Sir, does the Secretary for Transport agree that the best traffic cop is one who helps motorists not to commit traffic offences, whether in relation to traffic signs or otherwise, and not one who issues the greatest number of tickets for traffic contraventions? And if the answer is in the affirmative, does he intend to give the requisite directive to the Traffic Branch of the Royal Hong Kong Police Force accordingly?*

SECRETARY FOR TRANSPORT: Sir, I think the police do have discretion in prosecuting offenders in the case of traffic signs not being followed. Normally for new traffic arrangements it is standard practice for the police to give seven days' grace period to offenders and they do not normally prosecute them. Second, if in fact a sign is of a poor standard or at a poor location, the driver can explain to the police officer and he has the discretion not to prosecute the offender but instead give him a verbal caution. Over the past year, such cautions have been given and in fact police officers do try to help drivers rather than to prosecute them all the time. This is something which they always have in mind. And, finally, every year we have the Road Safety Campaign which tries to promote traffic safety. In the last three years, \$2 million was spent on road safety, including promotion of knowledge of traffic signs, and the police play a very significant role in the campaign. So I am sure they are trying to help and not hinder the promotion of road safety.

MR. CHEONG-LEEN: *Sir, a year or two ago, the Transport Branch became aware of complaints that at certain spots there were so many traffic signs that they were confusing to the public and therefore became contributory factors to contravention of traffic regulations. The Transport Department did commence a programme to identify these spots and improve the situation. How is this programme coming along?*

SECRETARY FOR TRANSPORT: Yes, Sir, I remember Mr. CHEONG-LEEN asking this question about a year ago and a written reply was given by me. The present position is this: we now have a total of 124 500 signs in Hong Kong and we expect to reduce this number by 40 300 over the next two years by way of simplification. At the present time about 25 per cent of these signs in Hong Kong and Kowloon have been reduced and those in the New Territories are being reduced. Given additional staff in the department, we hope to complete this programme by 1990-91.

MR. MARTIN LEE: *Sir, what does the Secretary for Transport have to say about the policeman who patiently waits for a number of motorists turning right at a particular spot when they are not supposed to do so, and then issuing to each one of them a ticket, rather than to direct them to move straight on when they are not supposed to turn right?*

SECRETARY FOR TRANSPORT: Sir, if there are any particular cases or complaints, I will be happy to pass them on to the police for investigation.

Restrictions on the employment of Filipino maids

3. MRS. TAM asked: *As the Philippines Government has announced restrictions on its people from taking up employment as Filipino maids overseas, will Government inform this Council what effects this decision will have on Hong*

Kong's local job market of domestic helpers; how it affects those Filipino maids presently working in Hong Kong; and whether Government has any plans to seek early lifting of the restrictions for Hong Kong?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, the temporary restrictions imposed by the Philippines Government on the overseas employment of its nationals were intended to protect them from exploitation. They applied with effect from 1 March 1988 to contracts entered into after 15 February 1988. They do not affect any existing contract or renewal of an existing contract between the same employer and employee.

Labour legislation in Hong Kong already affords a high level of protection to employees, whether local or from overseas, and whatever their occupation. This has been carefully explained to the Philippines Government representatives both through the British Embassy in Manila and in direct contacts with Philippines Government officials in Hong Kong. The most recent of these discussions was between the Director of Immigration and the Acting Commissioner for Labour and Mr. ACHACOSO, Director of the Philippines Overseas Employment Agency. These discussions were held on Saturday morning on 5 March. They appeared to go well and I believe there is now a very good chance that the restrictions on employment in Hong Kong will be lifted.

The restrictions have not so far had any noticeable effect on the local job market or on maids employed in Hong Kong, though prospective employers had to rush to process their applications before the cut off date on 15 February. I think we have good reason to hope that their future effects may also be minimal, since, as I have said, the recent discussions went well and it seems likely that the restrictions will be lifted.

MRS. TAM: *Sir, I am happy to hear that Hong Kong stands a very good chance to have the restrictions on employment lifted. But could the Secretary inform this Council whether there are plans to draw up a written bilateral agreement between the Philippines Government and the Hong Kong Government in order to safeguard the interests of Filipino maids working in Hong Kong?*

SECRETARY FOR EDUCATION AND MANPOWER: Sir, no, we feel no need for a written bilateral agreement because our view is that this kind of protection is best provided in our normal laws. However, we would be quite happy to record in writing the information we have already given to Philippines' officials in discussions and I think this should be sufficient for the Philippines' purposes because their concern is that their employees should not be exploited and I think that what we have already done should be sufficient to satisfy them on this point.

MR. SOHMEN: *Sir, does the Secretary's reply mean that there were no consultations or discussions prior to the imposition of these restrictions by the Philippines Government?*

SECRETARY FOR EDUCATION AND MANPOWER: As far as I am aware, Sir, there were no prior consultations on this point.

MR. POON CHI-FAI (in Cantonese): *Sir, concerning the restrictions on Filipino maids working overseas, will the Government review the possibility of Hong Kong families getting domestic helpers from China?*

HIS HONOUR THE PRESIDENT: I think that is outside the terms of the original question, Mr. POON, and if you wish to raise the question of domestic servants from China, I would be grateful if you could put down another question.

MRS. TAM: *Sir, could the Secretary inform this Council how many substantiated complaints concerning sexual or violent abuse by local employers of Filipino maids have been received by the Administration in the past three years? Of these complaints, how many have resulted in conviction of employers in the courts?*

SECRETARY FOR EDUCATION AND MANPOWER: Sir, the number of complaints received was 11 in 1986 and 14 in 1987, but we do not keep any separate figures of the result of prosecutions and convictions so I can not answer the second part of the question.

MRS. CHOW: *Can the Secretary for Education and Manpower dispel recent rumours that yet another big jump in minimum salaries will be introduced for the overseas domestic helpers in question as this would certainly be viewed as over-protection for these workers?*

SECRETARY FOR EDUCATION AND MANPOWER: Sir, this is getting slightly outside my policy area but the custom has been in recent years to review wages from time to time to keep up with going rates but I am not aware myself of any current proposals for further increases.

Crime rate among Vietnamese refugees

4. MRS. CHOW asked: *Will the Government inform this Council how the crime rate in the last five years for Vietnamese refugees accommodated in open camps compares with the overall crime rate for the population of Hong Kong and whether this will have implications for Government's policy towards Vietnamese refugees?*

SECRETARY FOR SECURITY: Sir, expressed in terms of the number of offenders per 1 000 of the population aged seven and over, the crime rate among Vietnamese refugees in the open centre has been consistently higher than that for the population as a whole over the past five years, as illustrated in the table of figures at the Appendix. However, a direct comparison is difficult since the Vietnamese refugee population has a higher proportion of males in the ages

to 30 than there is in the community generally, and figures for the offender rates by age groups in Hong Kong show a relatively large number of male offenders in this age bracket. A further factor, which cannot be discounted, is the cumulative effect of a long stay in a refugee camp.

Most of the crimes committed by the refugees are petty thefts and minor assaults.

I should however stress that although the figures reflect a higher than usual involvement in criminal activity among refugees in the open centre the overall numbers are relatively small and the great majority of refugees are law-abiding.

The statistics do not suggest the need for any change in the Government's overall policy of seeking early resettlement and other durable solutions, pending which the closed camp policy must continue.

Appendix

	<i>V R offenders</i>	<i>All offenders</i>
1983	55.3	7.6
1984	60.2	7.8
1985	77.6	8.7
1986	83.6	8.3
1987	86.2	8.4

MRS. CHOW: *Sir, will Government inform this Council whether Vietnamese refugees with a criminal record have been or are still accepted for resettlement by third countries? If yes, how many such cases have there been in the past? And if not, will Government be forced to accept them as a permanent element in our community?*

SECRETARY FOR SECURITY: *Sir, there is no hard and fast rule on the acceptance by recipient countries of Vietnamese refugees who have a criminal record. Generally they do not like accepting such refugees but family reunion criteria may over-ride such considerations and this has happened in the United Kingdom's case. In the event of countries not, at the end of the day shall we say, accepting refugees who have long criminal records, clearly we would have to think hard about their future.*

DR. IP: *Sir, are refugees in open camps aware of the implications of having a criminal record on their chances of resettlement, and what actions are taken by the United Nations High Commission for Refugees which has overall responsibility for the open camps to warn refugees of the consequence of their committing a criminal offence in Hong Kong?*

SECRETARY FOR SECURITY: As regards the first part of the question, yes, they are. The answer to the second part is that the United Nations High Commission for Refugees does warn the population of open camps of the difficulties and the possible penalties that they face if they do commit criminal offences in Hong Kong.

MR. HUI: *Sir, refugees in open camps enjoy freedom of movement and freedom to work and live under similar conditions as ordinary citizens of Hong Kong. What are the exceptional reasons for the relatively higher crime rate?*

SECRETARY FOR SECURITY: Sir, the exact reasons for the relatively higher crime rate are not known but possibly the offenders' prolonged stay in a refugee camp is a major contributory factor. There is also the fact of a reducing overall population and a probably more static population of the criminally inclined. But I should say that comparison is difficult because we are trying to compare one abnormal group of 2 900 people with a population of 5.6 million, or, to put it another way, the 422 offenders who came from the open camp at Kai Tak in 1987 over the age of seven years, with the 84 128 offenders for the population as a whole.

DR. HO: *Will Government consider other forms of punishment or sanctions on the Vietnamese refugees for their criminal offences in order not to affect their resettlement prospects?*

SECRETARY FOR SECURITY: Yes, Sir, the Government is keeping these matters under constant review.

MR. CHEONG-LEEN: *Sir, is there any community education programme for the Vietnamese refugee? And has any thought been given to borrowing some of the campaign ideas from the Fight Crime Committee adaptable to these camps so that the refugees themselves could learn how to maintain the peace?*

SECRETARY FOR SECURITY: I am grateful for my hon. Friend's suggestion there, Sir. My branch maintains close liaison with the centre management at Kai Tak, as well as the police, on the crime situation in the open centre with a view to seeking preventive advice, not only from the police but from other sources. There is additionally an on-going anti-drug abuse campaign at the open centre and the UNHCR employs a team of qualified social workers who provide counselling to refugees in the open centre. So every effort is made to assist, if this is at all possible, the refugees in the centre to stay on the straight and narrow path.

MRS. FAN: *Sir, in the written answer given by the Secretary, the crime rate amongst the Vietnamese refugee offenders has been steadily increasing since 1983. And in 1987 and 1986, it is about 10 times higher than the crime rate of all other*

offenders. Can the Secretary tell us how many Vietnamese refugees in Hong Kong have a criminal record and does the Secretary agree that in the event that these refugees are not accepted for resettlement in third countries, they cannot be repatriated involuntarily back to Vietnam?

SECRETARY FOR SECURITY: Sir, the reason for the increased ratio between all offenders and Vietnamese refugee offenders from 1983 to 1987 is something which I have just referred to in my reply two supplementaries ago. This, as I have said, is possibly the reducing population combined with a more static number of the criminally inclined. As to the number of people with a criminal record, I do not have these figures with me this afternoon, Sir, and I shall reply in writing. (See Annex I) And as to the third question, I am afraid I do agree to that, Sir. Such a move would be in contravention of the internationally accepted principle of not forcibly repatriating refugees.

MRS. CHOW: *Is the Secretary then in fact saying that for those Vietnamese refugees with criminal records who cannot get resettlement elsewhere, Hong Kong will be forced to take them?*

SECRETARY FOR SECURITY: That I am afraid appears to be the position, Sir, as things are at the moment but, as I have said earlier, it is a dynamic situation in which the Hong Kong Government is trying to seek durable solutions all the time.

MR. HUI: *Sir, could the Secretary inform the Council whether Government will consider committing those Vietnamese refugees with repeated offences in the open camp to a closed camp situation so that they cannot freely commit offences again?*

SECRETARY FOR SECURITY: This is not an option, Sir, which I would favour but we are taking legal advice on that particular point.

MR. CHEONG-LEEN: *Sir, will the Secretary please consider setting up some sort of fight crime committees adapted to the conditions within these camps?*

SECRETARY FOR SECURITY: Yes, Sir, I am prepared to consider that suggestion.

MR. MARTIN LEE: *Sir, does it mean that if the Vietnamese refugees will not be resettled in other countries, and if we decide to repatriate them to Vietnam, all they have to do to thwart that is to commit a criminal offence in Hong Kong?*

SECRETARY FOR SECURITY: I think the answer I gave to the second supplementary before last is the same as I would give to this supplementary.

Management of Home Ownership Scheme estates

5. MR. CHUNG asked: *With regard to the trial scheme by the Housing Authority to contract out management services of estates of the Home Ownership Scheme to private firms, will the Government inform this Council of the criteria for selecting*

these private management companies; the effectiveness of the privatisation scheme; and whether this scheme will be extended to include other Home Ownership Scheme estates?

SECRETARY FOR LANDS AND WORKS: Sir, the criteria for selecting private management companies are:

firstly, the company must have a minimum of five years' experience in property management; and
secondly, it must have under its management 2 000 or more properties, including at least one residential estate of not less than 500 units.

Companies employing professional staff with proven experience in property management are preferred, and companies already managing PSPS estates are eligible under this scheme.

The pilot scheme, which was started in January 1987 has worked very well, and the standard of management achieved has been comparable to that provided by the Housing Department's in-house staff. It has been found that the provisioning of day-to-day services can be more flexible, and the results so far show that costs are comparable. The performance of the company involved in the pilot scheme has been very satisfactory and the scheme is considered effective. I should point out that it is the Housing Authority's long-term objective that owners should eventually take over responsibility for their own management, and that the pilot scheme is intended to be a step in that direction.

In view of the good results achieved in the two pilot scheme estates, the Housing Authority will be extending the scheme to a further four estates over the next few months. The authority's overall responsibility for these, and other, home ownership estates will not be relinquished however until it is satisfied that the owners are fully prepared, and able, to take this over for themselves.

MR. CHUNG: *Sir, could the Secretary inform this Council to whom these management companies are responsible and what measures are being taken by the Housing Authority to ensure that the opinion and suggestions by residents of these estates on management problems are heeded and considered?*

SECRETARY FOR LANDS AND WORKS: Sir, the arrangement is between the Housing Authority and the company undertaking the management, so the property management company is responsible ultimately to the Housing Authority. On the second point, I understand that the Housing Department staff are still involved very much in this scheme; they are supervising it, and they are putting people out in the field to see how the pilot scheme has been getting on, so I think that the Housing Authority has been monitoring this and they have been getting feedback both from the property management agents as well as from the owners. I feel that this probably is providing sufficient feedback.

MR. YEUNG: *Sir, having regard to the encouraging and satisfactory performance of the company involved in the pilot scheme, how long does the Government expect to take before it is satisfied that the owners of those estates are able to take over the responsibility for managing their own estates?*

SECRETARY FOR LANDS AND WORKS: *Sir, this involves some crystal ball gazing. I think it is impossible to say how long it will take. I have stated in my reply that it is the authority's intention to hand over responsibility to owners, and I am sure that given the success of this scheme and the expansion of the scheme to other estates later this year, the authority would wish to hand over management to the owners as soon as it is practicable to do so. I think the authority must be quite satisfied, however, that the owners are quite capable of undertaking this work. I might add, Sir, that in addition to the four estates which are going to be brought into this scheme shortly, there is a possibility that some of the new estates coming on stream this year may go straight into this system with a view to the owners taking over management as soon as possible.*

DR. CHIU: *Sir, will the Government inform this Council which four estates are to be included in the scheme and whether tenants will be consulted?*

SECRETARY FOR LANDS AND WORKS: *Sir, the four estates which are being considered for inclusion in the scheme and this should take effect shortly, are, Chun Man Court, Ching Lai Court, Tsui Yiu Court, and Cheung Wo Court. The tenants in these four estates have been consulted and all have expressed their willingness to participate in this scheme.*

MR. CHENG: *Sir, will Government inform this Council how many private management companies in Hong Kong would meet the criteria as given by the Secretary?*

SECRETARY FOR LANDS AND WORKS: *Sir, the Housing Authority is maintaining a list of these companies and at present there are 12 companies on the list which are approved to undertake this work.*

Sources of water pollution

6. MR. LIU asked (in Cantonese): *On 9 July 1986, in reply to my question in this Council concerning the heavily polluted Wong Chuk Hang Nullah in the Southern District, the Secretary for Health and Welfare stated that the Environmental Protection Department would undertake studies to examine the sources of pollution and to identify ways of improving the situation. Will Government inform this Council whether these studies, particularly the one relating to the Wong Chuk Hang Nullah, have been completed and what their findings are?*

SECRETARY FOR HEALTH AND WELFARE: *Sir, several large scale studies of the sources of water pollution in urban areas have been carried out by the Environmental Protection Department since it was established in April 1986.*

A survey of pollution sources in the catchment area of the Wong Chuk Hang Nullah was undertaken during July and August 1987 and the findings were reported to the Environment Committee of the Southern District Board in January this year.

During the survey, 1 373 factories were inspected of which 34 were found to produce polluting effluents. Twelve of these factories were discharging directly into stormwater drains which flow into the nullah thus causing serious pollution of the nullah. Warning letters have been sent to these offenders requiring them to discharge the effluents to foul sewers. They have also been advised to appoint Authorized Persons to design and supervise the necessary drainage construction works.

In addition to industrial pollution, the nullah also receives from the squatter villages of Yau Sheung Chuen, Wong Chuk Hang Path Village and Sun Wai Chuen, the domestic sewage of about 4 000 people and livestock waste from several pig farms. Livestock keeping will be banned on Hong Kong Island after 24 June 1988 when the area becomes a prohibition area under the Waste Disposal (Amendment) Ordinance 1987. The raw sewage from the squatter population will be controlled either by squatter clearance which is scheduled to begin in Yau Sheung Chuen in June 1988 or eventually by the provision of sewerage facilities.

MR. LIU (in Cantonese): *Sir, before we are able to clear all squatter population there, has the Government drawn up any measures to control the pollution problem?*

SECRETARY FOR HEALTH AND WELFARE: Sir, I can only say that the various measures which I mentioned in my reply will gradually take effect. The ban on livestock keeping as from June should have quite a significant effect in that there are several pig farms in the area. The clearance is also due to start in June and meanwhile the Buildings and Lands Department will continue with their action to require offending factories to improve the situation.

PROF. POON: *Sir, of the 12 factories mentioned in the Secretary's answer, how many of them have responded positively to warning letters and what types of work are carried out in these factories?*

SECRETARY FOR HEALTH AND WELFARE: Sir, I am not sure exactly how many have so far responded positively but what they would need to do would be to connect the discharges, which at present are running straight into storm water drains and thence into the nullah, into foul water sewers. In some cases it would be necessary for the discharges to be treated before they were suitable for discharge even into the foul water sewers.

MRS. NG (in Cantonese): *Sir, in the second paragraph of the answer it is said that among the 34 factories, 12 factories have directed their effluent into the storm*

water drains wrongly. What are the causes for the wrongful connection, and what measures will the Government take to prevent other factories from committing the same offence?

SECRETARY FOR HEALTH AND WELFARE: Sir, I think one of the problems which certainly occurs in other areas where there are large numbers of flatted factory buildings is that when these buildings were erected the developers did not know what sort of industries were going to go into the building. Therefore, there are no proper arrangements made to take this sort of discharge and the only alternative that is left available to the factory operators is to put them straight into the storm water drains. The Environmental Protection Department is now not only doing surveys of this kind in Wong Chuk Hang but in many other areas, particularly in Sha Tin and in Tuen Mun. I hope that these measures will help to stop this kind of thing happening in future and to correct problems that already exist.

PROF. POON: *Sir, I do not think the Secretary has answered the second part of my question, which is, what types of work are carried out in these 12 factories?*

SECRETARY OF HEALTH AND WELFARE: I must beg Prof. POON's pardon, I misunderstood his question. The type of work—I take by that he means what sort of industry is carried on in these factories. I do not have the exact details of that but I will write to Prof. POON and let him know. (See Annex II)

Counselling for offenders given non-custodial sentences

7.MR. CHAN YING-LUN asked (in Cantonese): *Will Government inform this Council what counselling services are available to offenders convicted and given non-custodial sentences, what types of offenders are likely to benefit from rehabilitative counselling, and whether Government has plans to allocate more resources to these services?*

SECRETARY FOR HEALTH AND WELFARE: Sir, there are a number of circumstances under which an offender given a non-custodial sentence may receive rehabilitative counselling. Persons subject to probation orders or community service orders are required to undergo rehabilitative counselling provided by staff of the Social Welfare Department. In other cases, a court may refer offenders to the department for counselling or other welfare services. An offender may also receive counselling at his own request, in which case the service may be provided by either the Social Welfare Department or by a voluntary agency. In addition the Society for the Rehabilitation of Offenders has since April 1987 been operating a pilot project to provide counselling for offenders who are given non-custodial sentences.

The type of rehabilitative counselling provided depends on the needs of the individual concerned. The usual approach is for the social worker to discuss any problems that the offender may have whilst trying to delve into the situation

which led to the crime being committed. Once a rapport has been established, the social worker can provide guidance and advice on matters such as the improvement of social skills or social behaviour, and ways in which the offender can avoid becoming involved in any further criminal activity. Arrangements can also be made for offenders to be provided with other forms of assistance as appropriate, such as social security payments or help with employment or education.

It is impossible to specify precisely what type or types of offenders are likely to benefit from counselling. Many of those convicted of minor offences do not need such a service while for others, such as recidivists, counselling is unlikely to be very effective. In general, experience indicates that counselling works best with those who have committed a crime as a result of social pressures such as family and financial problems or associating with anti-social elements.

At present we do not propose to seek additional resources specifically for this purpose, although funds have been earmarked for the creation of additional posts to reduce the case-loads of the social workers who work in the family service centres.

MR. CHAN YING-LUN (in Cantonese): *Sir, certain services are mentioned in the reply. How many people stand to benefit from such services each year?*

SECRETARY FOR HEALTH AND WELFARE: Sir, I understand that during the last three years a total of 8 255 offenders were put on probation by the Magistrates Courts and 162 offenders were placed on community service orders. That is since January 1987 when community service orders were first made by the courts. I do not have details—I do not think they are available—of people who asked voluntarily to be seen by social workers but that may give some idea of the scope at the moment.

MRS. TAM: *Sir, I refer to the pilot project operated by the Society for the Rehabilitation of Offenders. Could the Secretary inform this Council whether this pilot project is aimed at providing compulsory counselling for offenders? If not, how is this project different from the existing counselling service? Also, could the Secretary inform this Council when will this pilot project be evaluated?*

SECRETARY FOR HEALTH AND WELFARE: Sir, I do not know a great deal about this new project but as far as I know it is not compulsory. I think it is intended to make available counselling services at some of the Magistracies so that it will be easier for people who are given non-custodial sentences to seek help if they wish to do so. It started in April last year. I am told that when the first full year has been completed at the end of this month, a report will be prepared by the society and this will be studied by the Social Welfare Department to see whether this is a service which might qualify for subvention through the department.

MR. TAI: *Sir, with regards to rehabilitative counselling services available in particular to young offenders, could the Government inform this Council whether police supervision orders can be made as part of the counselling scheme so that better supervision could be achieved?*

SECRETARY FOR HEALTH AND WELFARE: I am not quite sure what Mr. TAI is referring to about police supervision orders but there is of course the discretionary scheme which is operated by the police force for juvenile offenders. When this happens, the offender is seen by a senior police officer and I am sure if police officers think that counselling by social workers would be helpful in a particular case, they would refer that case to the department.

DR. HO: *Sir, in the course of providing counselling services to the offenders, are the parents of the offenders asked to pay more attention to, and to be involved in supervising the offenders at the same time?*

SECRETARY FOR HEALTH AND WELFARE: Sir, I am sure the social workers would take the opportunity to discuss problems with the parents of young offenders in this sort of situation and encourage them to exercise more control over their children.

MR. CHAN YING-LUN (in Cantonese): *Sir, according to statistics given by the Secretary for Security, in the last one and a half years, there were 22 700 people given non-custodial sentences and half of those could be given counselling, for example, those convicted of shop-lifting. Does the Administration have plans to extend such services?*

SECRETARY FOR HEALTH AND WELFARE: Sir, I think the problem is that there are 22 000 people being given non-custodial sentences, many for quite minor offences. It would be quite impracticable simply to make compulsory arrangements for counselling. The difficulty is to sort out the people who would benefit from it. That, of course, is often done by the Magistrate who, having heard the circumstances of the case, considers that the offender would benefit from advice from a social worker. I think it will have to continue on this sort of basis rather than moving onto any kind of compulsory arrangement. But the scheme operated by the Society of Rehabilitation of Offenders is a very interesting measure which I think will give us some idea of the practicability of bringing in a scheme to try and make counselling more widely available to offenders of this sort.

Vocational training for Vietnamese refugees

8. MR. JACKIE CHAN: *Will the Government inform this Council whether the costs of vocational training for Vietnamese refugees, while residing in Hong Kong, are paid by the Hong Kong Government or by any other countries or organisations and how this compares with the situation in other countries of first asylum, such as the Philippines, Thailand, Malaysia and Indonesia?*

SECRETARY FOR SECURITY: Sir, vocational training, like other educational services for Vietnamese refugees in Hong Kong, is provided by voluntary agencies using their own resources assisted by funds from the United Nations High Commission for Refugees and the Hong Kong Government.

Vocational training programmes for Vietnamese refugees in other places of first asylum in the region are provided, if at all, by voluntary agencies supported in part by UNHCR funding.

MR. JACKIE CHAN: *Sir, is there any evidence to illustrate that these vocational training programmes for Vietnamese refugees will enhance their chances of being accepted by third countries for resettlement?*

SECRETARY FOR SECURITY: I do not have any details about that, Sir, but there is some evidence to show that those who have received vocational training find it easier to resettle and to integrate more easily into recipient countries.

PROF. POON: *Sir, with reference to the first paragraph of the answer, what are the relative contributions made by the United Nations High Commission for Refugees and by the Hong Kong Government towards the cost of the vocational training?*

SECRETARY FOR SECURITY: Sir, in giving this answer, I think I would like to expand a little bit on the difficulty that we have had in finding precisely how much money is allocated to vocational training on its own. As you know, the Hong Kong Government provides financial assistance to the voluntary agencies in respect of a range of services which are provided for refugees in the closed camps, and these services include recreational facilities, education, work programmes and vocational training. The reason why it is difficult to isolate the amounts specifically allocated for vocational training is because the government assistance is provided by means of the payment of lump sums to the voluntary agencies concerned. I can, however, provide the details for the financial assistance of these lump sums for the services which I have mentioned. In the financial year 1986-87, the Hong Kong Government provided \$1.2 million or 22 per cent of the total funding as compared with \$2.7 million supplied by the voluntary agencies own resources and \$1.6 million from UNHCR funding.

MR. YEUNG: *Sir, may I refer the Secretary to the second paragraph of his reply. Is it possible that no comparable figures are available from other countries of first asylum because they are not susceptible to the pressures exerted by the Office of the United Nations High Commission for Refugees in the same way as the Hong Kong Government and therefore do not necessarily provide any vocational training for Vietnamese refugees?*

SECRETARY FOR SECURITY: No, Sir, that is not quite the case. We have not got the figures from other countries of first asylum because we have not been able to get them in the time available to reply to this question. There is no particular pressure put on the Hong Kong Government by the UNHCR in this matter. If

we wish to do a costing exercise to find out precisely how much money was spent on vocational training, it would be possible to do so but I wonder whether it would be worth the time and effort involved.

MR. SOHMEN: *Sir, in the absence of early prospects for settlement for a majority of the Vietnamese refugees, to what use is the vocational training put? In other words, after vocational training, what do the inmates in the closed camps do after they have received this training.*

SECRETARY FOR SECURITY: Well, I think, Sir, we have to fall back on the old adage here of the 'devil finding work for idle hands to do' and undoubtedly the provision of vocational training in the closed camps does keep the refugees occupied. It also avoids management problems and potential security problems which would perhaps otherwise arise. And as I have said earlier, I believe it does assist in their integration in resettlement countries.

MR. SOHMEN: *Sir, I am a little confused. If we just use vocational training to keep the Vietnamese refugees occupied, then we could use other forms of training or education. Why do we not think about using the results of the training for something that could be productive, even in the closed camps?*

SECRETARY FOR SECURITY: Sir, many of the things which are undertaken in the closed camps are productive. Quite a lot of out-work is undertaken, and by this I mean factories outside arranging for work to be done by the refugees inside the closed camps which can then subsequently go back and be sold and be of use to the public. Amongst other things, some electronic out-work is undertaken, so it is not just laundry and making clothes.

MR. PETER POON: *Sir, since vocational training is intended for the benefit of Vietnamese refugees, has Government considered recovering part of the cost of providing such training from the earnings of the refugees at all?*

SECRETARY FOR SECURITY: That is a suggestion, Sir, which the Government has not considered.

DR. HO: *Are the programmes of vocational training currently in our camps designed in accordance with the requirements or the requests of the major resettlement countries with a view to improving their resettlement prospects?*

SECRETARY FOR SECURITY: I am afraid I do not have the answer to that question, Sir, I shall reply in writing to Dr. HO. (See Annex III)

MRS. FAN: *Sir, in the earlier reply given by the Secretary for Security, he referred to the Hong Kong Government spending \$1.2 million in the financial year 1986-87. Does this include the building of workshops in refugee camps for vocational training? And is that not one of the major expenditure that the Hong Kong Government has incurred in order to provide vocational training in Vietnamese refugee camps?*

SECRETARY FOR SECURITY: That may very well be the case, Sir, but again I do not have that information.

MR. CHEONG-LEEN: *Sir, since Britain is the metropolitan authority ultimately responsible for the Vietnamese refugees in Hong Kong, can an approach be made to the British Government to share the costs with the Hong Kong Government for the amounts incurred in vocational training, capital costs and related expenses, after costing has been done?*

SECRETARY FOR SECURITY: This is certainly something which could be borne in mind, Sir, but I would like to make the point that the British Government does contribute both directly and indirectly to the services which I have described. The United Kingdom contribution to the UNHCR annual budget for 1987-88 amounted to £16 million, or \$220 million, and the British Government also contributed \$220,000 to the Save the Children Fund last year for its activities in closed camps in Hong Kong.

Written answers to questions

Nuisance telephone calls

9. MR. POON CHI-FAI asked: *Will Government inform this Council what kind of assistance is being provided by the police to a member of the public who frequently receives nuisance telephone calls; and how much, if anything, he needs to pay if it is necessary for the police to monitor or trace these nuisance telephone calls?*

SECRETARY FOR SECURITY: Sir, the police investigate all complaints of nuisance telephone calls. They do not trace or monitor such calls. But, with the complainant's written consent, they may seek the assistance of the Hong Kong Telephone Company. Neither the police nor the Telephone Company charge for any assistance provided or action taken.

Additional benefits for employees

10. MR. PANG asked: *In view of the fact that some employers have arbitrarily altered or withheld the payment of fringe benefits which are not specified by law, such as good attendance bonus and end of year payment and so on, will Government inform this Council whether the Employment Ordinance will be amended to rectify this situation in order to provide further protection for employees?*

SECRETARY FOR EDUCATION AND MANPOWER: Sir, the Employment Ordinance regulates general conditions of employment and stipulates employers' basic obligations and employees' basic benefit entitlements. Further obligations and benefits, such as those referred to by Mr. PANG, may be provided for in employment contracts and it is always open to employers to provide additional benefits above those required by statute or contract. In the nature of things these additional benefits are at the employer's discretion. Any employee who

Measures to protect children with G6PD deficiency fears that his employer may not abide by his promises should ensure that the terms and conditions of his employment are clearly stated in the employment contract. This affords sufficient legal protection.

The Employment Ordinance is kept under constant review by the Labour Department in consultation with the Labour Advisory Board. It is amended from time to time so as to provide improved benefits and eliminate loopholes. If Members have specific suggestions for further improvements the Labour Department will always be happy to consider them.

11. DR. CHIU asked: *Given that some 4.5 per cent of local born male babies suffer from G6PD (glucose-6—phosphate dehydrogenase) deficiency which may last for life and that people with such deficiency when exposed to mothball (naphthalene) would suffer from haemolysis (destruction of blood cells), will Government inform this Council whether it is aware that a Form I science workbook which is used by more than 20 schools makes reference to an experiment to investigate the melting point of naphthalene and that the physics syllabus of the Hong Kong Certificate of Education Examination includes study by Form III and IV students of the cooling curve of naphthalene and, if so, what measures are being taken to protect students with G6PD deficiency from exposure to naphthalene?*

SECRETARY FOR HEALTH AND WELFARE: Sir, the Education Department is aware that exposure to naphthalene may cause haemolysis in children who suffer from a G6PD deficiency. Consequently, the science syllabus for Secondary I to III has recently been updated and experiments to determine the melting point of a substance now use wax instead of naphthalene.

Similarly, the physics syllabus for Secondary IV to V has also been reviewed and experiments investigating the cooling curve of naphthalene has been replaced with an experiment based on the use of n-octadecyl alcohol. These changes will be reflected in the revised syllabus which will be ready for distribution to schools this summer.

In addition, publishers of school textbooks are regularly advised to avoid making references to experiments using naphthalene. School inspectors constantly remind science teachers of the hazardous nature of naphthalene and advise them to use safer alternatives.

Schools will also be advised to request parents to notify them if their children are suffering from G6PD deficiency as well as other acute allergies so that precautionary measures can be taken. In this context, all babies born in public sector hospitals and institutions are screened to detect defects in G6PD activities, and those born in private hospitals are screened on a voluntary basis. The parents of the children found to have G6PD deficiency are notified and given

counselling on the precautions to be taken concerning exposure to food and other substances. G6PD deficient persons carry a special card advising them of substances to be avoided.

Fires in Chungking Mansions

12. MR. CHEONG-LEEN asked: *In view of the large number of guest houses operating in Chungking Mansions and the casualties in the fire on 21 February 1988 resulting in the death of a tourist, will Government inform this Council how many fire incidents have occurred in that building in the past three years, what the causes of these fires were, and what remedial measures will be taken to abate the fire hazards in that building so as to step up the protection of life and property of the residents and to safeguard against any potential harm that might be done to the tourist industry?*

SECRETARY FOR SECURITY: Sir, between January 1985 and February 1988, there were 29 fire incidents in Chungking Mansions. The causes of these fires were as follows:

—electrical short circuits	10
—smoking materials	2
—naked flames from cooking stoves	2
—unknown causes	15

Among the 15 fires of unknown cause, the circumstances of three fires, including the one on 21 February, appeared suspicious and were referred to the police for investigation.

Two days after the fire on 21 February, the Fire Services Department conducted an inspection of the fire services installations, the common areas and the means of escape in the buildings of Chungking Mansions. Action is being taken to prosecute eight offenders for causing obstruction to the means of escape. Fire hazard abatement notices have also been served upon 72 offenders in Chungking Mansions for minor offences such as the wedging open, or the removal, of smoke lobby doors.

A second inspection was conducted on 3 March to follow up on the irregularities found in the first inspection and to identify any change of use in the residential section of the buildings. The Fire Services Department is generally satisfied with the progress which the offenders have made in correcting the irregularities. As regards residential units used for other purposes, the Fire Services Department identified 16 unregistered factories and 17 unlicensed food premises. Details of these have been referred to the Labour Department and to the Urban Services Department respectively for necessary action.

Further inspections will be conducted on the expiry of individual abatement notices. Thereafter, the buildings will be inspected about every six months.

Other remedial measures include:

- (a) an interdepartmental task force which will be set up to resolve the problem of fire hazards to the residents of guest houses situated in buildings like Chungking Mansions; and
- (b) the on-going measures taken by the Fire Services Department to protect the lives and property of both residents and tourists from fire. These include educating the public through the mass media and fire prevention campaigns, and the increased vigilance of the operational crews responsible for inspecting the common areas and means of escape in buildings.

Directorate officers employed on contract terms

13. MR. JACKIE CHAN asked: *Will Government inform this Council of the number of directorate officers currently employed on contract terms; and whether under existing practice, such officers are allowed to join the private sector without having obtained prior approval from the Government upon expiry of their contracts, and if so, what measures the Government will take to ensure that there will not be a shortage of senior officers if those mentioned above leave the Government upon expiry of their contracts?*

CHIEF SECRETARY: Sir, as at 1 January 1988, 299 directorate officers were employed on agreement (contract) terms out of a total of 1 024 directorate officers. Of those employed on agreement terms, 77 were retired officers re-employed on agreement terms. As these 77 officers were previously employed on pensionable terms, they are governed by the rules on post-retirement applicable to pensionable officers. The rules require them to seek permission to take up outside employment within two years of finally leaving government service that is, within the two-year period after expiry of their final agreement.

Officers other than pensioners employed by the Government on agreement terms are not required to obtain prior approval to join the private sector upon expiry of their contracts. Apart from acting as a possible disincentive to recruitment, the imposition of rules similar to those governing pensionable officers on agreement officers would give rise to legal questions. Legal advice is that, in the event of legal action, any restrictions of the kind would be examined strictly by the courts for their reasonableness in relation to the circumstances of the particular individual. Consistent application of such restrictions could therefore be difficult to achieve.

The Government already takes measures to ensure the sufficient supply of suitable officers through annual directorate succession planning. In this process, which the Civil Service Branch co-ordinates, officers with potential, avenues for their advancement, and their training needs are identified and their development path is planned. At the same time, the promotion and transfer of staff to fill senior posts is forecast and planned. Furthermore, the Government's existing

practice is that the renewal of the contracts of agreement officers is normally arranged, where appropriate, eight to 10 months before expiry. This normally provides sufficient lead time to enable replacements to be identified in good time in cases where contracts are not being renewed.

Expenditure on Vietnamese refugees since 1979

14. MRS. FAN asked: *Will the Government inform this Council how much taxpayers' money has been spent on Vietnamese refugees since 1979 when Hong Kong became a place of first asylum, together with the yearly expenditure up to March 1988?*

SECRETARY FOR SECURITY: Sir, total Government expenditure on Vietnamese refugees from January 1979 to date was approximately \$900 million. This can be (largely) broken down by years as follows:

<i>Year</i>	<i>HKG Expenditure</i>
January 1979 to June 1982 (Prior to implementation of closed centre policy)	\$271.9 million
June 1982 to March 1983	\$80.6 million
1983-84	\$98.1 million
1984-85	\$102.8 million
1985-86	\$117.8 million
1986-87	\$122.7 million
1987-88	\$126.0 million (estimate)
	<hr style="width: 10%; margin: 0 auto;"/>
	\$919.9 million

The annual breakdown of costs prior to June 1982 is not available.

Statement

Arrangements for the Dissolution of the Legislative Council

ATTORNEY GENERAL: Sir, I would like to use this opportunity to inform hon. Members of certain amendments to the Royal Instructions which relate to the work of this Council and which we propose to put to Ministers.

The first amendment concerns the date of dissolution of the Legislative Council. Royal Instruction XXVIII A presently provides that the Legislative Council 'shall stand dissolved on the ninetieth day before the third anniversary

of the first sitting of the Council following the latest election for all the elected Members of the Council'. This means in effect that, in this particular year, this Council would have to dissolve on 1 August and that we would then be without a Legislative Council for nearly three months.

The provision, Sir, has a number of drawbacks. First, it allows no flexibility in fixing a date for the Council to dissolve. Secondly, when taken together with the provision in Royal Instruction XXIA that the period between the last sitting of the session and the first sitting of the next session shall not exceed three months, it gives rise to the situation whereby, over time, the opening date for each new session tends to creep further forward. This results in further difficulties in keeping to our normal electoral cycle which envisages elections in September and a resumption of the Council in early to mid-October. Thirdly, and this is perhaps the most important point, this lack of flexibility on dates means that, when taken in conjunction with all the necessary pre- and post-election measures, there will be no Legislative Council for an undesirably long time. The proposal is to amend the Royal Instructions to provide that the Governor shall appoint a date for the dissolution which shall be not earlier than 60 days or later than 30 days before the third anniversary of the preceding election and at a later stage to introduce legislation to abridge the time for acceptance of office by elected members. Taken together, Sir, these measures will remove all the drawbacks which I have described.

If these changes are acceptable, it is likely that the Governor will appoint Thursday, 25 August 1988 as the date of dissolution of this Legislative Council and that the subsequent elections will take place on Thursday, 22 September 1988. The new Council will then meet for the first time on Wednesday, 12 October 1988.

Sir, the second amendment to the Royal Instructions is to provide that any Bill which has not completed all its stages through this Council shall lapse upon a dissolution. At present, the Royal Instruction provides that the consideration of a Bill or other business shall not be affected by the termination of a session. And although it may be the case that this provision does not apply to the termination of the final session in the term of a Legislative Council before dissolution, the position is not as clear as it should be. The matter should be put beyond doubt by amending the relevant provision in the Royal Instructions. It is unreasonable to expect Members of a new legislature to pick up and complete the unfinished business of the old.

Thirdly, Sir, it is proposed to delete from Royal Instructions XXV(2) and XXVII the requirement to include marginal notes alongside each clause of an Ordinance. The reason is that the need for notes in the margins cause secretarial and printing difficulties, particularly when printing Chinese texts. Instead it is proposed that the present practice of using marginal notes should be replaced by the use immediately above each clause of left margin bold headings. Sir, this is a commonly used form in legislation elsewhere.

- (a) rental \$2,400 per annum. (see Note 1.)
 (b) for each call 50 per cent of the call charge collected.
 (see Note 3.); and
- (c) by inserting, after Note 2, the following—
 ‘3. In item 2 the call charge for a call from a coin box private payphone is fixed at the same rate as the charge for a local call from a public payphone. (See item 1 in Part VI of this Schedule).’

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

The Hong Kong Telephone Company Ltd. proposes to alter its charging arrangements for the rental of its private payphone in two respects. First, the company wishes to reduce the annual tariff from \$6,600 to \$2,400. Secondly, the company seeks to share call charge revenue with the private payphone renter on an equal basis. Currently all call charge revenue is retained by the private payphone renter.

Taken together, these two proposals represent a fairer system for charging the private payphone renter than the current single high rental charge, which takes no account of the use of the telephone network. The proposed new rental tariff, which represents a monthly charge of \$200, would give the company a reasonable return on its costs other than with respect to the use of the network, which would be accounted for by the proposed revenue-sharing arrangement.

These proposals are expected to yield additional revenue of approximately \$10 million over the next two years. However, the company has undertaken to use this extra revenue to help fund less profitable but socially desirable public services such as public payphones in low usage areas and emergency helplines. Revenue from private payphone rental is covered by the Scheme of Control. Whilst some current private payphone renters would have their revenue from private payphones reduced as a result of these proposals, most private payphone renters would nevertheless continue to make an attractive net return and those with private payphones in low usage sites would have an improved return. There are currently about 900 private payphones in service. The call charge for these payphones will remain unchanged, that is, \$1 per call as at present.

Under section 26(2) of the Telephone Ordinance, all amendments to the Schedule of charges of the Telephone Ordinance require a resolution of this Council. My motion seeks to amend the Schedule in line with the proposed new private payphone charging arrangements. These arrangements have been examined by the Administration and are considered to be equitable.

Sir, I beg to move.

(At this point, Mr. CHAN Kam-chuen, as a director of the Hong Kong Telephone Company Ltd.

and Mr. David LI, as the Deputy Chairman of the Hong Kong Telecommunications Ltd.

declared their interest and abstained from voting.)

Question proposed, put and agreed to.

First Reading of Bills**EDUCATION SCHOLARSHIPS FUND (AMENDMENT) BILL 1988****FILM CENSORSHIP BILL 1988****HOUSING (AMENDMENT) BILL 1988**

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

Second Reading of Bills**EDUCATION SCHOLARSHIPS FUND (AMENDMENT) BILL 1988**

THE SECRETARY FOR EDUCATION AND MANPOWER moved the Second Reading of: 'A Bill to amend the Education Scholarships Fund Ordinance'.

He said: Sir, I move that the Education Scholarships Fund (Amendment) Bill 1988 be read a Second time.

The Education Scholarships Fund Ordinance was enacted in 1955. It provided for the establishment and administration of a trust fund known as the Education Scholarships Fund.

Section 5(2)(a) of the Ordinance provides for the appointment of the Director of Education or his representative as chairman of the fund committee. It is Government's declared policy that, wherever feasible, people other than officials should chair Government's advisory boards and committees. The Bill accordingly provides for people other than the Director of Education or his representative to chair the Education Scholarships Fund Committee.

The Bill also provides for accounts and records of the Education Scholarships Fund to be kept as the Director of Accounting Services may require.

Apart from some very old scholarships, the donors of which cannot be traced, all donors and heads of schools have agreed to the proposed change of chairmanship. The changes proposed in the Bill are desirable and straightforward and it is intended to bring them into effect as soon as the Bill is enacted.

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

Question on adjournment proposed, put and agreed to.

FILM CENSORSHIP BILL 1988

THE SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION moved the Second Reading of: 'A Bill to provide for the establishment of a Film

Censorship Authority, a panel of censors and a panel of advisers, and for regulating and imposing restrictions on the exhibition of films; for the approval and classification of films; for the establishment of a Board of Review; for the creation of offences; to make consequential and other amendments to other Ordinances; and for matters connected therewith'.

He said: Sir, I rise to move the Second Reading of the Film Censorship Bill 1988.

The Bill before us today is the product of intensive consultation and debate. Since March last year the Legislative Council Ad Hoc Group on Film Classification and Censorship has met formally on 33 occasions and informally no less often to consider the provisions to be incorporated in this legislation. A draft or White Bill was published on 3 April 1987 for public information and comment. A revised draft was subsequently published on 3 November last year for further comment. The draft Bill was formally discussed by 11 district boards. We have had numerous meetings with the Legislative Council ad hoc group and with representatives of the film industry. We have received written submissions from interested groups and individuals and the proposed provisions, particularly the issue of censorship, have been the subject of considerable public debate and commentary.

I would like to record my gratitude to the ad hoc group particularly to its chairman, Mr. YEUNG Po-kwan and to all the others who have contributed their valued advice and comments during this consultative process. Many of their views are reflected in today's draft.

Hong Kong enjoys no fewer freedoms than most mature western democracies. The introduction of a Bill with the word 'censorship' prominently featured may seem to some to be introducing an alien note into the local scene. It does not. Few, if any, societies are devoid of censorship and there is strong evidence that the local community supports, indeed, demands constraints on what may be publicly viewed. For over 35 years, film censorship has been accepted by the public as a government responsibility.

The Bill seeks to incorporate some of the present censorship criteria which are embodied in the Film Censorship Regulations made under the Places of Public Entertainment Ordinance and to introduce a three-tier system of film classification. At this point, Sir, I would like to make it clear that the Bill is not aimed at correcting any deficiencies in our present legislation there being nothing to correct. The current legislation is in good order. Rather it seeks to constrain censorship and allow the screening of films which cannot be approved for viewing at present.

Our discussions with the ad hoc group have focussed on the issue of political censorship to a significant degree. At their instigation, we have modified our earlier proposals to a narrower formulation which now provides censorship where 'there is a likelihood that the exhibition of the film would seriously, which

is a new word, damage good relations with other territories'. There has been considerable legal debate as to whether this provision is compatible with the International Covenant on Civil and Political Rights. We have consulted the Foreign and Commonwealth Office on the question and we are satisfied that the proposed formulation is not incompatible with the covenant.

There is no doubt that censorship on grounds of sex and violence reflects our community's expectations at large. It may also be claimed with justification that political censorship is necessary for the protection of the well-being of our community. That is why political censorship has always been part of the film censorship process, even under the existing legislation. The Bill merely seeks to continue this provision with a tighter criterion.

It does not make sense to me to jeopardise our good relations with any territory for the sake of screening the odd film—and I mean 'odd' since only 21 films have been banned on political grounds over the past 15 years, that is, 10 549 films were submitted, of which 21 were banned or 0.2 per cent.

Hong Kong must not allow itself to be used as a base for propagating propaganda. I believe this point is well understood and accepted in Hong Kong.

The ad hoc group have suggested that the Bill should specifically require the censor to have regard to freedom of expression. This proposal presents problems. First, as the proposal gives guidance to the censor it may be more appropriate to include it in the guidelines to be issued under clause 30 of the Bill rather than in the Bill itself. Secondly, as the proposal adds nothing to the freedom which already exists it is unnecessary. Consequently no such provision has been made in the Bill.

Present censorship legislation, and also the drafts published last year, require film advertising material to be submitted to the Censorship Authority for examination or exemption from examination. Such advertising material, usually in the form of posters, handbills and newspaper advertisements, is part of a very different medium to the exhibition of films in the confines of a cinema. We take the view that such material should be excluded from the censorship requirements of the Bill. Nevertheless it will, like all published material, fall within the ambit of the Control of Obscene and Indecent Articles Ordinance. I understand the deletion of these provisions may give rise to practical problems for the film industry. If that should be the case, I shall of course be prepared to continue the dialogue with the industry with a view to resolving as far as possible any perceived problems.

Sir, as for the future system for film classification we propose that films approved for exhibition should be classified into one of the following three categories:

- Category I — for general exhibition;
- Category II — approved for exhibition with the caution that it is not suitable for children. This classification is commonly known as exhibition subject to parental guidance.

Films similar to those which are currently labelled as 'Not Suitable for Children' will fall into this category.

Category III — approved for exhibition only to persons who have attained the age of 18 years.

This is a new classification. It will allow the exhibition of films which might be enjoyed by mature or restricted audiences and which have hitherto had to be banned, or severely cut often to the detriment of the story flow.

The proposed three-tier system will make it possible for more than one version of a film to be approved for exhibition to different audiences.

It is also proposed that the appeal mechanism be revamped by replacing the official-dominated review board with a board comprising a majority of nonofficial members, from whom a chairman will be appointed. This provides a greater public input at this important level of control.

As my final general observation on the Bill, Sir, I would point out that all the censorship processes and procedures have been tightened to ensure that the interests of the film industry are better taken into account. The time constraints provided in the Bill are maxima and I am confident that in practice the authority and other functionaries will discharge their responsibilities well within the stipulated time limits.

Sir, I shall now comment more specifically on the draft Bill.

Provision is made in clause 6 for the establishment of a panel of advisers to be appointed by the Film Censorship Authority. These advisers will be representative of a cross-section of our community. They can be called upon to advise the censors. This arrangement will allow for a further community input into the censorial process.

The authority will have power under clause 9 to exempt a film from examination if it falls within a class of films suitable for exemption. This will include films of a purely instructional, promotional and educational nature. The authority will have seven working days to decide whether film should be exempted after which it will be subjected to the censorial process. However, experience confirms that this time scale should be more than adequate and I can assure the industry that no films will be censored by default.

In subclause 10(2) the censorship criteria are spelt out. The present criteria have been narrowed down.

In addition to the prescribed censorship criteria the censor will be obliged to take into account the matters referred to in subclause 10(3). These include the effect of the film as a whole, its artistic and scientific merit, its cultural value and the circumstances of its intended exhibition.

The review procedures are set out in clauses 16 to 19. The Board of Review will have the power to review any decision of the authority or a censor upon the request of the person who has submitted the film for examination.

In addition if a person is aggrieved by the exhibition of a film upon moral, religious, educational or other grounds he may request the Chief Secretary to direct the board to review the film.

Earlier proposals to give the Chief Secretary the power to suspend the screening of films pending their review have been reconsidered and dropped.

It will be an offence to exhibit a Category III film to a person under the age of 18 years as provided for in clause 20. It will be a defence to such a charge that the person charged took all reasonable precautions to prevent the film being exhibited to underage viewers. Administrative guidance will be given to the film industry on what might constitute 'reasonable precautions'.

After careful consideration, we are not proposing to make the viewing of a Category III film by an underage person a criminal offence. However the authority will advise parents in writing when their children are found at such screenings.

I acknowledge the concern of the industry on the practical problems of enforcing the underage rule but I would point out that the exhibition of Category III films is optional. Those operators who are content to exhibit films which conform with current censorship standards will not have to accept the extra responsibility of ensuring that underage persons are excluded.

The authority will have power under clause 23 to appoint inspectors to undertake checks of all cinemas to enforce the film classification system and to initiate prosecutions against offending operators. It is proposed to appoint five inspectors to provide the necessary coverage for the 115 local cinemas.

Transitional provisions are provided whereby certificates of approval for films granted prior to the commencement of the proposed legislation would remain valid for the duration of the validity of their existing certificates.

In summary, Sir, this Bill proposes to put increased constraints on censorship criteria and to introduce a classification system which will allow more mature audiences to see films which hitherto could not be approved. It expands the community involvement in the censorial process, thus ensuring that censorship standards better reflect the community's views on what is acceptable or otherwise. I am convinced that these new proposals will be generally welcomed.

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

Question on adjournment proposed, put and agreed to.

HOUSING (AMENDMENT) BILL 1988

THE SECRETARY FOR LANDS AND WORKS moved the Second Reading of: 'A Bill to amend the Housing Ordinance'.

He said: Sir, I move that the Housing (Amendment) Bill 1988 be read the Second time.

On 26 November 1987, the Hong Kong Housing Authority agreed to proposals for the reorganisation of its structure and financial arrangements to come into effect on 1 April 1988 to facilitate the implementation of the Long Term Housing Strategy.

Under the strategy, the provision of public housing will become more demand-led. Increased opportunities will be provided for families aspiring to buy their own homes, while rental housing will continue to be available for those who need it. The authority will regularly monitor demand and supply in all housing sectors. It will then adjust its own construction programme to co-ordinate with what is being produced by the private sector so as to ensure that demand is met most effectively.

The Long Term Housing Strategy increases the scope of the authority's activities. To be able to respond effectively, the authority needs to be given greater flexibility in its procedures. A package of proposals has therefore been devised to give the authority the freedom it needs to deal with its duties in a more flexible manner and the financial flexibility to be able to put its resources where its priorities are. These measures will be implemented through administrative changes to the organisation and finances of the authority and through the Bill now before this Council which makes several necessary amendments to the Housing Ordinance.

Concern has been expressed that the proposals are intended to reduce Government's commitment to public housing. This is not so. Although the authority will have greater freedom to make decisions on operational matters, Government will continue to monitor the work of the authority and will remain responsible for setting the major policy guidelines within which the authority will operate.

Government will have an on-going financial commitment in the authority. In addition to handing over the closing balance of the Home Ownership Fund and not requiring repayment of the outstanding loans made to the authority by the Development Loan Fund, Government will if necessary inject cash to guarantee the authority's financial solvency and facilitate its cash flow. These sums will become Government's permanent capital in the authority.

Government's contribution to domestic housing and non-domestic equity in the authority will be substantial. Apart from the existing balance in its contribution account, valued at \$34,000 million, Government will continue to provide land to the authority on concessionary terms to enable it to develop housing at affordable rents and prices. By 2001, Government will have a standing investment of \$92,000 million in the authority.

The authority's greater operational freedom will not reduce its public accountability. The authority's annual programme and estimates will continue

to be submitted for approval by you, Sir, and its audited accounts and annual report will continue to be tabled in this Council. Quarterly reports will keep Government informed of the authority's actions and decisions, while the appointment of officials to the authority and its committees will ensure that Government's views are known to the authority.

Concern has also been expressed that the reorganisation will affect rent levels. This is unfounded. Need and affordability will remain the guiding principles in the provision of, and charging for, public housing. In this regard, the authority will operate within existing rent and pricing policies and will be required to seek the approval of the Governor in Council before making any changes to these or to the Long Term Housing Strategy.

It has been suggested that the authority should be allowed to repay the loans and equity it receives from Government under the reorganisation and thereafter use surpluses to reduce rents. This idea is not in the public interest. It implies that the authority should operate on a cost-recovery basis, which could prejudice its future ability to develop, maintain and redevelop estates. It would be a departure from Government's social commitment to charge rent on the basis of affordability and also sever Government's financial commitment to the authority once the loans had been repaid.

In brief, Sir, the Bill now before this Council makes changes to the Housing Ordinance in respect of the authority's organisation and financial arrangements to enable it to implement more effectively the Long Term Housing Strategy. The Bill does not otherwise affect the existing relationship between the authority and Government, or change the basis on which housing will be provided for the people of Hong Kong in future.

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

Question on adjournment proposed, put and agreed to.

SOCIAL WORK TRAINING FUND (AMENDMENT) BILL 1988

Resumption of debate on Second Reading (3 February 1988)

Question proposed.

MR. HUI: Sir, on this occasion of reviewing the Social Work Training Fund Ordinance, I wish to express the concern of the social service functional constituency over the composition and terms of reference of the Social Work Training Fund Committee.

At a time when Hong Kong is taking cautious but progressive steps towards building an open government, we advocate that the committee, to be in line with the Social Welfare Advisory Committee and Advisory Committee on Social Work Training, should be chaired by a person who is not a government official

as reflected in the Education Scholarships Fund (Amendment) Bill 1988 tabled today in this Council. Furthermore, the existing practice of appointing members to the Social Work Training Fund Committee on a personal basis should be replaced by one of appointing individuals from various representative organisations such as the Hong Kong Social Workers' Association, and the Hong Kong Council of Social Service whose member agencies employ a large number of social workers, and are concerned with their training prospects. Giving voluntary agencies representation on the committee would definitely strengthen the co-operation between Government and voluntary agencies as well as enhance the committee's accountability.

In the light of rapid development in the field of social welfare and social work training, we also believe that more indigenous teaching materials ought to be developed for the training of local social workers. In this respect, the role of the committee in improving training facilities ought to be expanded and more training resources should be developed locally and abroad.

Finally, it is also the concern of voluntary agencies that the priority set by the committee for subsidising social work training activities and the criteria for sponsoring individuals for formal social work training overseas have remained inscrutable to voluntary agencies. It is important for voluntary agencies to be given privy to such standards in planning their staff development programmes for improvement of service quality.

All in all, Sir, it is high time that the Social Work Training Fund Committee provided an open channel for the sharing of experience, knowledge, and information to improve the training and skills of our social workers and to make effective use of our valuable manpower resources.

Sir, with these remarks, I support the motion.

SECRETARY FOR HEALTH AND WELFARE: Sir, I have listened with interest to Mr. HUI's remarks about the Social Work Training Fund Committee and I am grateful for his support for this Bill.

I agree with Mr. HUI that there is a continuing need for the sharing of experience in promoting the training prospects of social workers and in the development of indigenous teaching materials. And there is a forum for this in the Advisory Committee on Social Work Training. Nevertheless, we do intend to look afresh at the composition and terms of reference of this committee to see whether any changes may be appropriate to reflect changing circumstances since the establishment of the committee in 1961. So far as the criteria adopted by the committee for sponsoring individuals for social work training are concerned, details are in fact given in the fund's annual report which is tabled each year in this Council, and which is available to anyone who may be interested. So the committee, which already includes members active in the social work training field, is perhaps not quite as inscrutable as Mr. HUI suggests.

Sir, I would like to take this opportunity to put on record the Government's appreciation of the donation of \$6 million which was made last year by the Royal Hong Kong Jockey Club to this fund. This generous gesture will enable us to do more to provide social work training opportunities both locally and abroad.

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.

SOCIAL WORK TRAINING FUND (AMENDMENT) BILL 1988

Clauses 1 to 4 were agreed to.

Council then resumed.

Third Reading of Bill

THE ATTORNEY GENERAL reported that the

SOCIAL WORK TRAINING FUND (AMENDMENT) BILL 1988

had passed through Committee without amendment. He moved the Third Reading of the Bill.

Question on the Bill proposed, put and agreed to.

Bill read the Third time and passed.

Private Bill

First Reading of Bill

DEUTSCHE BANK (MERGER) BILL 1988

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

Second Reading of Bill**DEUTSCHE BANK (MERGER) BILL 1988**

MR. DAVID LI moved the Second Reading of: 'A Bill to provide for the vesting in Deutsche Bank Aktiengesellschaft of the undertaking of Deutsche Bank (Asia) Aktiengesellschaft; and for other related purposes'.

He said: Sir, I move the Second Reading of the Deutsche Bank (Merger) Bill 1988. The Bill which I introduce today is, I believe, technical in nature and uncontroversial. I am pleased to report the Bill has been approved by the Government and has been advertised the requisite number of times in the Chinese and English press and I therefore move that the Bill be read a Second time.

It is necessary to have this Private Bill because, under the law of the Federal Republic of Germany, Deutsche Bank will absorb Deutsche Bank Asia which is now its wholly-owned subsidiary and which I will henceforth refer to as DB Asia. On 5 April 1988, DB Asia will cease to exist and, under German law, all its business, assets and liabilities will be transferred to Deutsche Bank.

Under Hong Kong law the effect of this German law merger is not clear. The Bill seeks to clarify all matters arising from the merger in a manner which affords certainty to DB Asia and its customers in Hong Kong.

DB Asia has a substantial banking practice in Hong Kong and Hong Kong has an interest in affording certainty and security of business to international banks operating here.

This Bill is not unprecedented. By the Lloyds Bank (Merger) Ordinance of 1985, effect was given in Hong Kong to the merger under English law of Lloyds Bank and Lloyds Bank International. Indeed this Bill is itself modelled on the 1985 Ordinance.

Members may be reassured that no stamp duty will be saved by this Bill. Both the DB Asia and Deutsche Bank itself are anxious to ensure that the stamp duty position shall be precisely the same as if no legislation had been enacted. There is no intention to avoid stamp duty by means of this Bill.

Sir, I believe this Bill to be uncontroversial and welcome in that it shows Hong Kong to be most responsible in affording certainty of operation to financial institutions and customers alike. Sir, I move that the debate on this Bill be adjourned.

Question on adjournment proposed, put and agreed to.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday, 16 March 1988.

Adjourned accordingly at nineteen minutes past Four o'clock.

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

WRITTEN ANSWERS**Annex I****Written answer by the Secretary for Security to Mrs. FAN's supplementary question to Question 4**

As at 8 April 1988, there were 433 refugees with criminal records in Hong Kong: 419 in the open centre and 14 in closed centres.

Annex II**Written answer by the Secretary for Health and Welfare to Prof. POON's supplementary question to Question 6**

A breakdown of the 12 factories is as follows:

<i>Type of work</i>	<i>Number</i>
<i>Laundering</i>	<i>4</i>
<i>Electroplating</i>	<i>3</i>
<i>Food manufacturing</i>	<i>3</i>
<i>Baking and catering</i>	<i>1</i>
<i>Cleaning air-conditioners</i>	<i>1</i>

Warning letters have recently been issued by the Buildings and Lands Department and replies from these factories are still awaited.

Annex III**Written answer by the Secretary for Security to Dr. HO's supplementary question to Question 8**

The answer is that the vocational training programmes are not so designed. The reason for this is that none of the resettlement countries is willing to state their requirements for vocational training or to commit themselves to a link between vocational training and their resettlement intake. Nevertheless the voluntary agencies seek to provide vocational training and work opportunities for the refugees which are generally designed to facilitate the refugees' eventual integration in a western society and working environment.