

1 HONG KONG LEGISLATIVE COUNCIL -- 5 December 1990

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OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 5 December 1990

The Council met at half-past Two o'clock

PRESENT

HIS HONOUR THE DEPUTY TO THE GOVERNOR (PRESIDENT)

THE CHIEF SECRETARY

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

THE FINANCIAL SECRETARY

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

THE ATTORNEY GENERAL

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

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

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

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

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

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

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

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

THE HONOURABLE CHUNG PUI-LAM, J.P.

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

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

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

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

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

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

THE HONOURABLE POON CHI-FAI, J.P.

THE HONOURABLE SZETO WAH

THE HONOURABLE TAI CHIN-WAH, J.P.

THE HONOURABLE TAM YIU-CHUNG

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

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

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

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

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

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

THE HONOURABLE PAUL CHENG MING-FUN

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

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

THE HONOURABLE RONALD CHOW MEI-TAK

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

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

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

THE HONOURABLE MRS MIRIAM LAU KIN-YEE

THE HONOURABLE LAU WAH-SUM, J.P.

DR THE HONOURABLE LEONG CHE-HUNG

THE HONOURABLE LEUNG WAI-TUNG, J.P.

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

THE HONOURABLE KINGSLEY SIT HO-YIN

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

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

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

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

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

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

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

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

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

ABSENT

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

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

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

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

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

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

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR LAW KAM-SANG

Papers

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

Subject

Subsidiary Legislation

L.N. No.

Merchant Shipping Ordinance

Merchant Shipping (Certification of
Officers) Regulations 1990

372/90

Merchant Shipping Ordinance

Merchant Shipping (Fees) (Amendment)
(No. 2) Regulations 1990

373/90

Telecommunication Ordinance

Telecommunication (Amendment)

Regulations

1990 374/90

Water Pollution Control Ordinance

Water Pollution Control (General)
(Amendment) Regulations 1990

375/90

Water Pollution Control Ordinance

Water Pollution Control (Deep Bay Water
Control Zone) Order 1990

376/90

Water Pollution Control Ordinance

Water Pollution Control (Mirs Bay Water
Control Zone) Order 1990

377/90

Water Pollution Control Ordinance
 Water Pollution Control (Deep Bay Water Control Zone)
 (Appointed Days) Order
 1990 378/90

Water Pollution Control Ordinance
 Water Pollution Control (Mirs Bay Water Control Zone)
 (Appointed Days) Order
 1990 379/90

Water Pollution Control (Amendment)
 Ordinance 1990
 Water Pollution Control (Amendment)
 Ordinance 1990 (Commencement) Notice
 1990 380/90

Water Pollution Control Ordinance
 Statement of Water Quality Objectives
 (Deep Bay Water Control Zone) 381/90

Water Pollution Control Ordinance
 Statement of Water Quality Objectives
 (Mirs Bay Water Control Zone) 382/90

Consular Relations Ordinance
 Consular Relations (Privileges and Immunities)
 (Commonwealth Countries and Republic of Ireland) (Amendment)
 Order
 1990 386/90

Registration of Persons Ordinance
 Registration of Persons (Application for
 New Identity Cards) (No. 19) Order 1990 387/90

Factories and Industrial Undertakings (Amendment) Ordinance 1989
 Factories and Industrial Undertakings
 (Amendment) Ordinance 1989 (Commencement of
 Sections 5, 6, 7, 8, 9, 10, 12 and 13)

Notice

1990 388/90

Interpretation and General Clauses Ordinance

Specification of Public Office
389/90

Sessional Papers 1990-91

No. 24 -- Hong Kong Housing Authority

Annual Accounts for the year ended 31 March 1990 and Balance Sheet as
at that date

No. 25 -- Vocational Training Council

Annual Report 1989-90

Miscellaneous

Technical Memorandum Standards for effluents discharged into drainage
and sewerage systems, inland and coastal waters

Address by Member

Vocational Training Council

Annual Report 1989-90

MR CHEONG: Sir, laid before this Council is the eighth Annual Report of the Vocational Training Council (VTC) covering its activities in the year 1989-90.

I am pleased to report that the VTC has emerged from the 1980s in good shape and entered the 1990s with confidence to play a bigger and more important role in manpower training in Hong Kong than the preceding decade.

From the report Members will see that 1989-90 was a year in which the VTC took

a number of initiatives. Besides the obvious practical importance of these measures, I hope they will also be seen as a clear indication that both the VTC and the Government which subvents it hold an optimistic view of Hong Kong's future.

At the request of the Government, the VTC has agreed to accept the transfer of a substantial number of sub-degree level places from the polytechnics and to offer for the first time Higher Diploma/Certificate courses in the 1993-94 academic year. This decision in turn has provided the VTC with the opportunity of improving and rationalizing the basic craft training offered by the VTC's training centres and technical institutes in order that it will better prepare our young people for work in this technological age.

The implementation of the first of the measures that will enable the VTC to effect the transfer, that is, the construction of a training centre complex at Pokfulam, has already begun. When completed in 1992, the complex will enable almost all basic craft courses to be decanted from the technical institutes, and the Chai Wan Technical Institute will be vacated and converted to a technical college. In the meantime, the design of a second technical college on Tsing Yi Island is at an advanced stage. The VTC will be ready to enrol students by summer 1993.

To support the move of industry towards the design and manufacturing of technologically more advanced products, the VTC is now offering training in application specific integrated circuit design, precision sheet metal processing and computer aided design and computer aided manufacturing. The VTC also plans to offer in the coming year training in surface mount technology.

Sir, in its short existence of eight years, the VTC has successfully completed a remarkable programme of improvement and expansion of technical education and industrial training facilities. It could not however have achieved all that it has without the unstinting service of my fellow members of the Vocational Training Council, the members of its training boards and committees, the commitment of its staff, and the whole-hearted support of Government. The VTC therefore looks forward to equally enthusiastic support from Government in the future so that it will continue to have the wherewithal it needs to meet the ever changing manpower requirements of Hong Kong's industry and commerce.

Oral answers to questions

Cable television

1. MR CHAN asked (in Cantonese): In the light of the Hong Kong Cable Communications Limited's decision to abandon the cable television project, will Government inform this Council whether there are any plans to provide cable television service to the public as originally planned?

SECRETARY FOR HOME AFFAIRS: Sir, our original policy objectives remain unchanged. On the one hand we wish to provide the community with the widest possible choice of quality television programming, in both Chinese and English; on the other we wish to develop a telecommunications infrastructure which will stimulate the development of a wide range of telecommunications services.

Following the withdrawal of Hong Kong Cable Communications Limited from the project it would seem prudent for us to pause, take stock and consider the way forward. This we are now doing. Once we have identified the best strategy for taking matters forward I can assure honourable Members that the Administration will move as quickly as possible.

MR CHAN (in Cantonese): In view of the unilateral withdrawal of the Hong Kong Cable Communications Limited, will the Government guarantee that no such loophole would appear again in the next tender exercise?

SECRETARY FOR HOME AFFAIRS: Sir, I do not accept that there was a loophole in the original tender exercise. In the original tender exercise we did have a clause which committed the company to an expenditure and the partners were severally and jointly responsible for that commitment. In the next exercise, when we take this matter forward, we shall take all that into consideration.

MR MCGREGOR: Sir, will the Government state categorically that there is no intention of restricting satellite television in future in order to encourage or to support cable television?

SECRETARY FOR HOME AFFAIRS: Sir, for cable television to come into Hong Kong it is necessary to ensure an environment which will make cable television viable because of the great expenditure it will have to lay out before it can get into business. As to satellite television, I believe the initial policy has already been set in that we are prepared to license satellite receiving stations jointly owned by housing complexes or within the same housing development.

MR MARTIN LEE: Sir, will the Administration inform this Council whether it would have found it necessary to pause, take stock and consider the way forward if it had not made a boo-boo in the first place for not having entered into a legally binding contract with the Hong Kong Cable Communications Limited, thus resulting in precious time being lost to the public of Hong Kong?

SECRETARY FOR HOME AFFAIRS: Sir, as I said earlier, there was a binding commitment by the consortium jointly, and the partners severally. That was by way of a commitment to spend money upfront. As I also said earlier, in the next exercise, if we were to take the matter forward in the manner that Mr Martin LEE would envisage, we certainly will have to consider other commitments.

MR BARROW: Sir, while the Secretary is having his pause, might he consider if maximum use could be made of existing fibre optic cables of the Hong Kong Telephone Company in order to encourage future participation, reduce costs and minimize disruption during installation?

SECRETARY FOR HOME AFFAIRS: Sir, when we take this matter forward there are a number of considerations to be taken into account, and there are a number of options we will be looking at. One of the considerations, obviously, is the need for a second telecommunications network. Whether that need still exists or not will dictate whether or not existing cable systems could be used.

MISS LEUNG (in Cantonese): Many Hong Kong residents at first thought that they might receive cable television programmes by 1991. Could the Secretary therefore inform this Council when Hong Kong will have cable television at the earliest so that the

viewing public may have a wider choice of television programmes?

SECRETARY FOR HOME AFFAIRS: Sir, as I said, we will take this matter forward and we will consider all the options. We will do that as quickly as possible, but I am not a clairvoyant and therefore cannot give a definite date.

MR CHEONG: Sir, would Government agree that the provision of satellite television facilities in Hong Kong is of utmost significance to the continued development of Hong Kong as an international trade and financial centre and that satellite television and the declared policy of having a sound telecommunication infrastructure are not mutually exclusive?

SECRETARY FOR HOME AFFAIRS: Sir, the provision of satellite television, and therefore satellite communication, is one of the factors that we will consider in taking the matter forward.

MR MCGREGOR: Sir, in reconsidering this matter, would the Secretary please acknowledge that it would be much more helpful if, for example, the underground cable already laid by the Hong Kong Telephone Company were to be used for any new television system? And secondly, would the Secretary also consider applying a very substantial penalty on any company which withdraws in future, as Hong Kong Cable Communications has done?

SECRETARY FOR HOME AFFAIRS: Sir, if I may take the second part of the question first. The question of penalty and a penalty clause of some sort will certainly be considered if we were to take the matter forward.

As to the use of existing cables, perhaps I may, with your permission, defer to the Secretary for Economic Services.

SECRETARY FOR ECONOMIC SERVICES: Sir, the overall timetable for the provision of cable television service really cannot be advanced to any significant extent by granting the Telephone Company a cable television franchise, or allowing someone else to use

the telephone line. This is because currently it is simply not technically possible for existing telephone lines to carry television signals to the home. The only lines in the telephone network that can be used to carry such signals are in fact trunk lines between telephone exchanges and this currently forms a very small part of the total length of cables.

MR CHAN (in Cantonese): When tenders for cable television service are called again, will Government maintain its established open policy towards telecommunication, which might include the opening-up of local telephone and future international telephone services in 1995?

SECRETARY FOR ECONOMIC SERVICES: Sir, it remains our intention to encourage the maximum competition in non-franchise telecommunication services. As regards the future of the existing franchises for both voice telephone and the international services, the first to expire will be the Voice Telephone Service in 1995, and the future of that franchise is currently under consideration.

MR PAUL CHENG: Will the Secretary please advise this Council the lessons learnt from this whole exercise to date, in summary form?

SECRETARY FOR HOME AFFAIRS: Sir, perhaps if I had three hours to answer this question I might be able to give a full answer. I suppose the short answer is that one always learns lessons and these lessons will be taken into account in taking the matter forward.

MR CHEONG: Sir, whilst accepting that it is prudent to pause and take stock and consider the way forward, how long will it take the Government to do that?

SECRETARY FOR HOME AFFAIRS: Sir, as I said earlier, we will pause very briefly and take the matter forward very rapidly. I cannot give a forecast as to the timing but I think the exercise will probably take months.

MR MCGREGOR: Sir, with reference to her last point would the Secretary for Economic Services recognize that the trunk lines in fact are the principal problem in digging up the roads and that, as far as I am aware, many hundreds of kilometres of trunk lines will have to be put down if a second cable is to be laid?

SECRETARY FOR ECONOMIC SERVICES: Insofar as the network for cable television is concerned, the majority of construction effort will in fact be in vertical ducting and within buildings rather than the laying of cables under streets. The main advantage that the Telephone Company has, with respect to network construction, is in spare horizontal duct capacity, and from that point of view there is no reason why another franchise holder could not be allowed to use the spare duct capacity.

Car thefts

2. MR MICHAEL CHENG asked (in Cantonese): In view of the large number of vehicles reported stolen, resulting in an average theft rate of one vehicle every hour or so, will Government inform this Council of the causes of this problem and what measures will be taken to tackle it ?

SECRETARY FOR SECURITY: Sir, cars are high value items, which are for most of the time left unattended on the streets or in car-parks. They are relatively easy to steal, particularly if the owners take inadequate security precautions. There is a ready market for quality cars in other countries in this region. Cars are therefore a tempting target for thieves, and in particular for crime syndicates who have the organization and contacts to arrange modification, shipping and resale.

The great majority of vehicles which are stolen are in fact recovered. But this year has seen both a significant increase in the overall number of vehicles stolen, and a significant reduction in the proportion subsequently recovered (from over 80% in the previous five years to some 65% so far this year). This is a matter of great concern.

The police are tackling the problem in a number of ways:

(a) They have stepped up investigations to obtain intelligence on criminal groups

engaged in car theft. Based on this intelligence they have mounted a number of large-scale operations, both on land and at sea, which have resulted in arrests, the recovery of stolen vehicles, and the breaking up of some of the car theft syndicates.

(b) They have also stepped up publicity on anti-theft precautions, approached the management of car-parks to advise on security measures, and increased checks on vehicles at road blocks.

(c) They are also maintaining high level liaison with police authorities in other countries in the region to secure co-operation in closing off the markets for stolen vehicles.

MR MICHAEL CHENG (in Cantonese): Sir, the way criminals steal and smuggle cars out of Hong Kong is very sophisticated. The fact that a stolen car can be smuggled out to reach Guangdong Province in a matter of 30 to 40 minutes indicates that this is -- and can only be -- done by powerful organized crime syndicates. Does the Government have an idea of the approximate number of car-theft syndicates in the territory? What is the progress towards the breaking up of these syndicates?

SECRETARY FOR SECURITY: Sir, I think I have tried to answer that in my main answer. Certainly, a great number of cars are stolen by criminal syndicates. The police have information on several such syndicates and they have taken operational action which has broken up a few of these syndicates.

MR EDWARD HO: Sir, recently, a very expensive car was stolen despite the fact that it had been parked in a private car-park, blocked by another car and secured by two vertical posts. Will the Secretary inform this Council what further anti-theft precautions can the owner take in such a case?

SECRETARY FOR SECURITY: Sir, I will not pretend that I can give expert advice on anti-theft precautions for cars. There are many precautions which owners of cars can take and the police will be very willing to give advice through their Crime Prevention Offices in both regional and district police stations.

MR DAVID CHEUNG: Sir, will the Secretary inform this Council whether the Government has any view or position on car parking services offered by restaurants which could be a cause for car theft?

SECRETARY FOR SECURITY: Sir, anyone who gives his car keys to someone who is not known to him runs a risk that those keys will be copied. This applies to valet parking services run by hotels and restaurants as much as it does to individual persons. Certainly, the police have information that some of the parking services may have been used to obtain duplicate keys -- some car thefts have resulted from that -- but there is no indication from police investigation of car theft to date that a large number of vehicles are stolen in this way. However, it is really for the car owners to take precautionary steps to prevent their keys falling into the wrong hands and being copied.

MR CHENG HON-KWAN: Sir, in the first paragraph of his reply, the Secretary has said the cars are relatively easy to steal particularly if the owners take inadequate security precautions. What sort of inadequate security precautions does the Secretary mean?

SECRETARY FOR SECURITY: Sir, clearly, anyone who does not lock his car, anyone who leaves the keys in the car, and -- to go further than that -- people who fail to install alarm systems or other anti-theft devices on expensive cars would be examples of failure to take precautions. There are many devices on sale which at the very least will have the effect of slowing down considerably car thefts and possibly deterring them.

MR TAI: Sir, may I ask the Secretary if he can elaborate on what sort of co-operation he would expect from the police authorities of our neighbouring countries in closing off the market for stolen vehicles and, possibly, assistance in the recovery of stolen vehicles?

SECRETARY FOR SECURITY: Yes, Sir, the police have had regular and frequent liaison with authorities in other countries, particularly in China. These include contacts through the regular Border Liaison Meeting, direct contacts through the Interpol

bureaus, and regular exchange visits by senior officers, of which there have been two in the past two months. There are a number of points that we have put to the authorities in the other countries. First of all, to try to take more precautions before registering new vehicles; secondly, to try to curb the modification from right-hand drive to left-hand drive and to impose some controls on that; and thirdly, we have passed lists of the licence numbers and the engine and chassis numbers of stolen vehicles with the request that these vehicles in particular should be looked out for in registration and licensing.

MR MICHAEL CHENG (in Cantonese): The Government, in its fight against seaborne smuggling (including smuggling of cars), has arrested 280 people from May to October this year. But the fines in total amount to only \$660,000. As the gains in car smuggling are very attractive, does the Government consider it necessary to increase the penalty -- both in fine and in sentence -- so that criminals, in the light of the higher cost, will be deterred from attempting car theft?

SECRETARY FOR SECURITY: Sir, under the Theft Ordinance an offence of theft carries a penalty of 10 years imprisonment. We consider that this penalty is adequate but we will monitor the situation and, if necessary, consider whether any change in penalty is necessary.

MR MARTIN LEE: Sir, will the Administration inform this Council what makes of cars are the most popular ones with car thieves in Hong Kong?

SECRETARY FOR SECURITY: Sir, I believe that this year three of the most popular models for stealing are Mercedes, of which some 223 have been stolen and 60 recovered; Toyota Crowns, of which 245 have been stolen and 53 recovered; and BMW's of which 119 have been stolen with 44 recovered.

MISS TAM: Sir, I understand car theft cases have been actually on the rise for at least three years. Even three years ago it reached the 3 000 mark. Is the Secretary content with our intelligence system on the racketeers and, if the answer is yes, why is it that we are seeing an unabated rising trend?

SECRETARY FOR SECURITY: Sir, I have figures for vehicle theft cases going back six years. The number of cases per year was approximately 3 000 in each of the years 1985, 1986 and 1987. It has since then been on the increase. It increased to 3 500 in 1988, about 4 400 in 1989, and about 5 300 in the first 10 months of this year. As I said in my main answer, I think the reasons must be that there is a ready market now for these cars abroad, and it has attracted criminal syndicates into this line of business. The police are doing their best to break up these syndicates through operations, but I believe that the public and the car owners themselves have a part to play too.

MR PAUL CHENG: Will the Secretary confirm to this Council whether any of those convicted so far this year have actually received a maximum sentence of 10 years imprisonment?

SECRETARY FOR SECURITY: Sir, I cannot confirm that. I am afraid I have no information on sentences handed out this year.

MR TIEN: Sir, of the cars that have been stolen this year, could the Secretary advise how many, he thinks, were stolen because the owners had failed to take adequate security precautions, such as not locking the car?

SECRETARY FOR SECURITY: Sir, I regret that I cannot answer that question. I do not have that figure available. But certainly I am informed by the police that a large number of stolen cars were unlocked at the time they were stolen, and many of them indeed even had the keys left inside them.

MR MCGREGOR: Sir, with all the co-operation that we are receiving from China in this matter, could the Secretary say how many people have been arrested in China, and how many people have been charged with stealing or receiving stolen vehicles?

SECRETARY FOR SECURITY: Sir, no, I cannot provide that information and I do not think I could obtain it.

MR PETER POON: Sir, the Secretary referred in his answer to high-level liaison with other countries. It has been reported that several cars stolen in Hong Kong are being used or driven in other countries blatantly with the same Hong Kong licence plates. Can more be done by the Hong Kong police to exert pressure to obtain the return of these vehicles?

SECRETARY FOR SECURITY: Sir, certainly that is one of the points that we are working on. That is why the police have handed over lists of vehicles with the registration number and also the chassis and engine numbers. It is our intention that other countries, based on this information, should not register and license these vehicles and should indeed, if they are proved to be stolen from Hong Kong, return them here.

Sickness allowance

3. MR TAM asked (in Cantonese): Will the Government inform this Council whether it will consider proposing increasing the daily rate of sickness allowance payable under the Employment Ordinance and revising the conditions under which the allowance is payable so that (i) an employee is entitled to the allowance even if he is sick for only one day and (ii) a medical certificate signed by any registered medical practitioner, and not necessarily the one employed by the employer, is acceptable as proof of the employee's sickness?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, at the present time, under section 35(1) of the Employment Ordinance, the daily rate of sickness allowance payable to an employee who has been certified ill for at least four consecutive days is two-thirds of the wages he would have drawn had he been working. This rate was raised from one half when it was first established in 1961 to two-thirds in 1977. The rate is better than the international norm at 60% and compares favourably with that obtaining in, say, Japan, where it is 60%, and with Taiwan, where it is 50%. So, in answer to the first part of the question, the Government has no plans to propose an increase in the present rate of sickness allowance. That said, the Government would be willing

to consider soundly argued proposals for an increase and would in that event seek the advice of the Labour Advisory Board.

As regards the second part of the question, sick employees are not entitled to sickness allowance for at least three days because it is necessary to discourage malingering and abuse. This minimum qualifying period is consistent with international convention and regional practice. But a sick employee who remains ill on the fourth day would obtain an allowance of two-thirds of his or her normal wage for all four days. As regards the certification of illness, existing statutory rules provide that any registered medical practitioner will do. But where the employer is providing a free medical service to his employees under a scheme of medical treatment recognized by the Director of Health, it is only reasonable that illness be certified by doctors in that scheme. The answer to this part of the question, therefore, is that the Government can see no compelling reason for changing the rules.

MR TAM (in Cantonese): Sir, will the Secretary share the view that a sick employee has to spend more money because, apart from taking care of his family, he needs more medication and nourishment, so that he can recover more quickly? Will the Administration believe that an increase in the rate of sickness allowance will help alleviate the employee's financial burden and mental stress so that he can recover more quickly and go back to work?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, all of these factors can be taken into account if a soundly argued set of proposals is put forward and I am sure they will be considered by the Labour Advisory Board.

MR MICHAEL CHENG (in Cantonese): Sir, according to the Secretary's reply, sick employees are not entitled to sickness allowance for at least three days because it is necessary to discourage malingering and abuse. We believe these are rare cases. In fact, for minor illnesses, one or two days' sick leave will be enough. Will the Government reconsider this so that such rare cases will not affect the rights and privileges to which all employees are entitled?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, I am afraid I do not quite understand

the question. If Mr CHENG means whether or not the reduction of the three-day limit towards a lower number is justified, then I think we will have to consider whether that practice is consistent with international labour conventions and with regional practice. To the best of my understanding, the need to discourage malingering is based on world-wide experience and it has not so far been overturned by international opinion.

MR PANG (in Cantonese): According to paragraph 2 of the reply, the rate of sickness allowance in the territory compares favourably with that of Japan and Taiwan. Can the Secretary inform this Council how long an employee has to be ill before he is entitled to sickness allowance? Given that the present Ordinance concerning sickness allowance was revised 13 years ago (1977), will the Government consider reviewing it?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, the answer to the first part of that double-barrelled question is that, in the case of Taiwan, provision is made for payment of sickness allowance for up to 30 days as compared with the maximum of 120 days in the case of Hong Kong; in the case of Japan, provision is made for the payment of sickness allowance for a total maximum of 18 months, but let us not forget that there are schemes of medical insurance in Japan.

As regards the second part of the question, which asks why we have not raised the sickness allowance above two-thirds of the wages given that that decision was made 13 years ago, the answer is quite simply that our policy in labour and employment legislation follows the best practices in the Asia Pacific region. It is not in our interest to set ourselves ahead of our neighbours. One should also try to bear in mind that two-thirds of wages, at today's rates, is far higher than two-thirds of wages 13 years ago.

MR TIEN: Sir, on the issue that sick employees are not entitled to sickness allowance for at least three days, would the Secretary confirm that this practice compares favourably with our regional competitors such as Taiwan and Japan and that for industry to remain competitive this policy will remain unchanged?

SECRETARY FOR EDUCATION AND MANPOWER: The answer, Sir, to the first part of the question is that we do not compare either favourably or unfavourably with regional practice. Our practice is roughly the same as that in the entire region, because the entire region follows the relevant international labour convention.

As regards the answer to the second part of the question, I am afraid I cannot give it an off-the-cuff reply. All I can say at this point in time is that some provision must be made to discourage malingering and abuse.

MR TAM (in Cantonese): Sir, in accordance with the current legislation, employees who are injured while on duty will not be entitled to sickness allowance if he has less than three days' sick leave. Is this not fair to the employees? As such, will the Government revise the relevant legislation?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, the answer to the first part of the question is that it is not unfair. We have a similar three-day rule in respect of employees' compensation. The three-day rule provides that the employee is not entitled to compensation unless he is incapacitated for a longer period and the reason for having this rule is that it prevents cases of relatively minor injury from overburdening the system. If the system which looks after employees' compensation is overburdened, it could have the result of delaying the processing of the more serious injury cases. Again, this minimum qualifying period is consistent with international labour convention and regional practice.

MR MICHAEL CHENG (in Cantonese): According to the Secretary's reply, where an employer is providing a free medical service to his employees under a scheme of medical treatment recognized by the Director of Health, the medical certificate has to be signed by doctors in that scheme. Could the Government make an open clarification on this so as to prevent abuses by employers in the appointment of company doctors for issuing certificates of illness?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, to the best of my knowledge, the Labour Department has not in recent years come across any case of collusion between employers and company doctors, and I think the reason for this is fairly plain. Any doctor who enters into collusion with the employer exposes himself to terrible risks,

including the risk of a suit being taken against him for professional misconduct. To the best of my knowledge no complaints have ever been lodged with the Labour Department and I do not think it is necessary to look into this area.

MR PANG (in Cantonese): Sir, the Secretary has mentioned accrued sick leave. Could I ask how long workers in Japan and Taiwan have to be ill before they are entitled to sickness allowance?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, I must admit I do not have verified information but, to the best of my knowledge, it is three days. As I said earlier, most countries -- I think all countries in the Asia Pacific region -- follow the relevant international labour convention and that convention provides that sickness allowance may be made for certain amounts over certain periods. But in the event that sickness allowance is made available, "it need not be paid for the first three days of suspension of earnings," and here I am quoting from International Labour Convention No. 102.

MR PETER WONG: Sir, can the Administration confirm that guidelines have been laid down for doctors to follow when issuing certificates of illness in order to minimize abuse?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, I am afraid I do not have the answer to the question. I believe guidelines must have been provided to some extent by the Department of Health, because all these company doctor schemes have to be registered and recognized by the Department of Health. But I must defer to my colleague, the Secretary for Health and Welfare, for confirmation of this point.

SECRETARY FOR HEALTH AND WELFARE: I can neither confirm nor repudiate this point, because very much depends on the company policy. In respect of the Civil Service, I believe we accept certification from government doctors.

MR TAM (in Cantonese): Sir, can the Government inform this Council of the number

of schemes recognized by the Department of Health? Besides, can the Secretary confirm whether employers who have not joined the scheme should not limit the number of doctors who can sign medical certificates for their employees?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, the answer to the first part of this question is that there are 19 schemes at the present time. As regards the second part of the question, as I said in my main reply, any registered medical practitioner operating outside these 19 schemes may issue certificates of illness. Employers have no right to limit the number of doctors.

Fare increase applications by franchised companies

4. MR CHOW asked (in Cantonese): In the light of the recent Middle East crisis that leads to fluctuations in oil prices, will Government inform this Council whether there are guidelines or measures to prevent franchised companies from using such circumstances as an excuse for fare increase?

SECRETARY FOR TRANSPORT: Sir, there are well established procedures for vetting fare increase applications. Any franchised bus or ferry company which seeks a fare rise must first provide fully substantiated information giving its existing and forecast financial position and all relevant assumptions made. Each fare increase application is carefully scrutinized by the Administration.

Expenditure on fuel is only one of many factors taken into account by the Government. Other factors, such as patronage, wage levels and maintenance costs, are also taken into account. In considering each application, full regard is always given to the overall public interest.

After detailed scrutiny by the Administration, a case is then put to the Transport Advisory Committee for further deliberation and independent advice. A final recommendation will not be put forward to the Governor in Council for approval until both the Administration and the Transport Advisory Committee are fully satisfied that the adjustments sought are necessary for continuing existing services and making improvements to meet passenger demand.

MR CHOW (in Cantonese): Sir, will the Government consider allowing some franchised companies to raise their fares in the form of surcharge so as to cover the cost increase allegedly caused by the surge in oil prices, provided that they revert to charging the old fares once the prices of oil drop?

SECRETARY FOR TRANSPORT: Sir, because of the very diverse nature of bus and ferry operations in terms of route, distance, degree of comfort, speed and scale of fares, it is not possible to devise a simple formula for a surcharge, whereas in regard to taxis such a case can be made out. So, in the end, we will have to come round to considering a fare increase relating to the element of fuel expenditure, which should be taken into account when considering the effect of fuel cost increases.

MRS LAU: Can the Secretary inform this Council whether the Administration has any means of verifying that the information provided by the company seeking the fare increase is accurate?

SECRETARY FOR TRANSPORT: Yes, Sir. The Government does have access to information concerning the purchase price of fuel by the companies concerned. This is information which is privy to the company and the supplier, but the Government does have access to the information to enable it to arrive at a conclusion as to whether the expenditure is justified vis-a-vis the cost of fuel.

Auxiliary police

5. MR MCGREGOR asked: Will Government inform this Council what plans are in hand to increase the daily deployment of auxiliary police for beat patrol duties ?

SECRETARY FOR SECURITY: Sir, some 750 auxiliary police officers are deployed on operational duties every day. About 60% of these are assigned to regular beat patrols, and another 30% to other duties on the street, for example crowd control at major sporting events and other public functions. The remaining 10% are employed on administrative duties in police stations, thereby releasing their regular

counterparts for beat patrol and other operational duties.

We shall shortly be seeking additional funds from the Finance Committee of this Council to increase the daily deployment of the auxiliary police from 750 to 850. This additional manpower will be deployed on operational duties on the street, or on other duties so as to relieve regular police officers for operational duties.

MR MCGREGOR: Sir, I understand that as recently as late October 1990 senior auxiliary police officers were advised that due to budgetary restraints the daily average of auxiliary policemen to be provided for day to day constabulary duties would be substantially reduced and that there were no alternatives to this. Can the Secretary for Security confirm that his left hand and his right hand are, in fact, in unison?

SECRETARY FOR SECURITY: Yes, Sir, I am quite confident of that. I have not heard that allegation and I do not believe that is the case. The daily deployment of auxiliary police officers, as I believe, remains fairly constant throughout this year, and, as I said, we have got plans to increase the daily deployment in the near future.

MR BARROW: The planned increase seems very modest. Is this due to budgetary constraints or are there other reasons and, if there are other reasons, could the Secretary so inform this Council?

SECRETARY FOR SECURITY: No, Sir, this is not for budgetary reasons. The increase that is proposed is based on actual operational requirements as assessed by the police. The daily deployment of 850, which is proposed, is regarded by the police as the optimum level at present for support to be provided by the auxiliary police.

MR MCGREGOR: Sir, I wonder whether the auxiliary policemen can be given the opportunity to serve for more hours per month as a means of extending their beat duty time on the street?

SECRETARY FOR SECURITY: Sir, many auxiliary policemen work a number of different

shifts and different hours each day and some are very much more active than others. Some work a shift of eight hours a day; some work for six hours. I believe that the present arrangements allow auxiliary police officers to choose how much time they wish to work and, provided they achieve a relatively modest minimum requirement, they remain fully up to standard.

MR TIEN: Sir, would the Secretary please inform this Council whether in time of crisis the performance of the auxiliary police on beat patrol will measure up to that of our regular police?

SECRETARY FOR SECURITY: Sir, yes. The auxiliary police go through essentially the same training as their regular counterpart, and they operate on the street and indeed in other duties in very much the same way as the regular police. I do not believe that there is a problem of difference of standard.

MRS FONG: Can the Administration inform this Council of the total number of people enrolled with the auxiliary police and whether the number is on the increase?

SECRETARY FOR SECURITY: Yes, Sir. The establishment of the auxiliary police is approximately 5 750. The present strength is 5 250. The establishment is reviewed every year and increases are made if necessary. There is, certainly, a small number of vacancies at the moment. This is not considered a significant problem nor is wastage a significant problem in the auxiliary police. In general, the police recruit about 760 additional auxiliary policemen each year, which is sufficient to maintain operational strength.

Speech therapy service

6. DR IP asked: Will Government inform this Council whether there is an increase in the incidence of speech problems in pre-school children due to the increasing influence of Philippine maids on their language development and multi-dialect exposure of children of new immigrants and whether adequate speech therapy service is provided to children of pre-school age?

SECRETARY FOR HEALTH AND WELFARE: Sir, speech therapy service for pre-school children having problems of language development and speech impairment is provided by the child assessment centres of the Department of Health and the Special Education Section of the Education Department. Speech problems generally include delayed language development, unintelligible speech, deficiency in fluency, defects in articulation, and other forms of phonological disorder. They may be caused by developmental delay, hearing impairment, mental retardation, autism, cerebral palsy, behavioural or psychiatric disorders, and poor social and linguistic environment.

Sir, I am not aware of any increase in the incidence of speech problems in respect of pre-school children due to the influence of domestic helpers from the Philippines or the exposure of the children of new immigrants to a multi-dialect environment. According to available records of the Department of Health, the percentages of speech delay problems in the cases referred to child assessment centres were about 45% in 1983, decreasing to 41% in 1988 and 38% in 1989. Whilst the average number of cases over the past four years involving speech therapy services for pre-school children referred to child assessment centres is 435 per annum, 428 cases were referred to such centres last year, as compared with 471 in 1983, for example.

As regards the adequacy of the speech therapy service, whilst we have in the past experienced problems in the recruitment of qualified speech therapists, I hope the manpower situation will improve in 1992 when the first batch of students from the Department of Speech and Hearing Sciences of the University of Hong Kong graduate.

DR IP: Sir, since child assessment centres earlier mentioned cater primarily for general delay in development, which may also affect speech and require very time-consuming comprehensive tests to be performed for each patient, could Government inform this Council whether there are more cost-effective referral methods to cater for pre-school children with normal intellect, but with pure articulation and phonological disorders requiring speech therapy?

SECRETARY FOR HEALTH AND WELFARE: If we are talking about ordinary children of a pre-school age, children attending ordinary child care centres, integrated child care centres and early education training centres having slight communication problems, they are given more individual attention by child care staff, who help them overcome

their problems. This is cost-effective without having the need to refer them to the child assessment centres.

MR PETER WONG: Sir, what are the criteria for subvention of agencies that have children with speech problems for speech therapists?

SECRETARY FOR HEALTH AND WELFARE: The Social Welfare Department subvents 15 special child care centres, which cater for children of multiple handicap -- some with very severe handicap.

DR IP: Sir, earlier on Government informed this Council that speech patterns can be caused by poor linguistic environment. Could Government inform this Council what constitutes poor linguistic environment and whether this includes multi-dialect and multi-language exposure in early childhood?

SECRETARY FOR HEALTH AND WELFARE: Sir, by environmental deprivation one does include a very bad environment in which children are not encouraged to communicate, or environment which is not conducive to dialogue between the child and its very responsible parent. In respect of disorders of communication, one factor alone may not create a problem. It is a combination of factors including behavioural or psychiatric disorders. For instance, I suspect sometimes that I myself, too, suffer from the impediment of speech, not because of the influence of Philippine maids, but because of the sheer terror of the environment of this Council in which I find sometimes I am unable to answer supplementary questions which are difficult.
(Laughter)

DR IP: Sir, my question was not answered!

Capital injection to the Housing Authority

7. MISS LEUNG asked: Will Government inform this Council of the rationale for the recent decision of refusing further capital injection into the Housing Authority

beyond the \$10,000 million commitment made at the time of the re-organization of the Housing Authority and the effects this decision will have on the implementation of the Long Term Housing Strategy?

FINANCIAL SECRETARY: Sir, to facilitate the effective implementation of the Long Term Housing Strategy, a set of financial arrangements were made between the Housing Authority and the Government in 1988. Under these arrangements, the Housing Authority, while remaining a statutory body, has much greater freedom in discharging its duties. It also enjoys a high degree of autonomy in managing its finances.

To allow it to exercise the high degree of financial autonomy, the Government, with the approval of the Finance Committee, transferred over \$2,700 million from the Home Ownership Fund and capitalized about \$13,500 million worth of outstanding loans and the interest thereon from the Development Loan Fund to the Authority. In addition, the Government agreed to provide the Authority with cash up to \$10,000 million. The amount of \$10,000 million was based on the Housing Authority's assessment in 1988 that a sum of \$6,350 million would be sufficient. To date, \$5,355 million has been drawn by the Housing Authority, and the balance is likely to be drawn in the next 15 months.

Sir, the Authority now estimates that upon the full disbursement of the \$10,000 million, it may encounter some short-term cash shortage. To cater for this, the Housing Authority has decided, after discussion with the Government, to approach the financial market for assistance. Given the philosophy underlying the financial arrangements between the Housing Authority and the Government, the Authority's mandate to manage its finances properly and prudently and the Authority's strong fundamental financial position, the Administration has endorsed this approach. We do not think it either appropriate or necessary to inject further funds into the Authority over the \$10,000 million already agreed. This decision should have little effect on the overall implementation of the Long Term Housing Strategy. The target is still to achieve the objectives of this strategy by the turn of the century as originally planned.

Sir, I would like to put on record that the relationship between the Housing Authority and the Government is as healthy as ever. The Government regards public housing as a major social programme. Aside from the \$10,000 million cash provision, the Government makes available land to the Authority free of charge for rental public

housing and at cost for home ownership flats. The Government also forms and services much of this land, and provides the related infrastructural and community facilities needed by the public housing residents. Altogether they cost billions of dollars every year.

MISS LEUNG (in Cantonese): The Government allowed the Housing Authority to borrow in 1991-92 from the private sector a sum not exceeding \$1.2 billion so as to solve the expected cash shortage problem, but it did not allow the Authority to do so in 1992-93 and requested it instead to adjust its income and expenditure in order to attain a balanced budget. Why did the Government not allow the Housing Authority to borrow from outside in 1992-93 for the purpose of solving the anticipated problem of cash shortage?

FINANCIAL SECRETARY: Sir, by that time we expect the Housing Authority to be back in a position of balance. The \$1,200 million authorized should be sufficient for the Authority's purposes. We expect that within 1991-92, the Authority will be short of about \$500 million only. So, overall, with stringent financial management, the Authority should be able to alleviate its short-term cash flow problem.

MISS LEUNG (in Cantonese): Will this decision by the Government regarding the financial arrangements of the Housing Authority lead to a rent increase in public housing estates?

FINANCIAL SECRETARY: Sir, it is our policy to keep the tenancy rentals at a reasonable level. It is possible there will be some modest effect, but I do not expect it to be any more than modest.

Safe boating

8. MR PETER WONG asked: Sir, in view of the increase in the number of high power speedboats and water scooters in Hong Kong, will the Administration inform this Council whether changes will be made to the existing certification requirements for driving speedboats and water scooters to ensure safe boating practice?

SECRETARY FOR ECONOMIC SERVICES: Sir, present legislation requires that pleasure vessels, including speedboats and water scooters, which are longer than 3 m or fitted with an engine of more than 3 kW in total power should be operated by a person or persons possessing the required certificates of competency. Such certificates are granted to candidates who have passed the relevant examinations covering a range of subjects including safe boating practices.

The general content of the examination for operator certificates is being reviewed in conjunction with the Hong Kong Yachting Association. The Director of Marine does not anticipate major changes to these requirements but he would like to see greater emphasis placed on training courses giving practical experience rather than relying solely on a written examination.

Current certification requirements are generally adequate to ensure safe boating practices, provided that operators do not act irresponsibly whilst at the helm. The Marine Police and the Marine Department maintain regular patrols to enforce regulations on safe navigation in the waters of Hong Kong.

MR PETER WONG: Sir, water scooter or jet ski is less than 3 m long and, because of its size, has a high power-to-weight ratio even when fitted with a small engine. Will the Secretary confirm that it is now legal for children or any uncertificated persons or even intoxicated persons to operate such vessels and, if so, whether it is in the interest of boating safety to continue to do so?

SECRETARY FOR ECONOMIC SERVICES: Sir, certification requirements are not necessary for speedboats of less than 3 m in length provided the operator is not below the age of 16. But I am reliably informed that all water scooters are, in fact, above 3 kW and, therefore, subject to certification requirements.

MR MCGREGOR: Sir, can certificated persons found guilty of offences related to driving such boats have their certificates removed and, if so, how many for the last one or two years have had their certificates removed?

SECRETARY FOR ECONOMIC SERVICES: Sir, I do not have that information available. I will supply a written answer. (Annex I)

MR TIEN: Sir, will the Secretary please inform this Council whether consideration will be given to requiring applicants to take exams, other than written exams, before these licences are issued?

SECRETARY FOR ECONOMIC SERVICES: Sir, I think the current law requires a written examination. But, as I said in my main reply, the Director of Marine feels that, in addition to a written examination, there ought also to be practical training. Written answers to questions

Foreign exchange dealings

9. MR MICHAEL CHENG asked: In view of the recent increase in cases of investors falling victim to the unregulated dealings by fringe foreign exchange companies, will Government consider introducing legislative measures to protect the interests of investors?

FINANCIAL SECRETARY: The Government is aware of the activities of these so-called foreign exchange companies and the complaints from investors who claim to have fallen victim in their dealings with these companies. Whilst I believe that investors have a responsibility to be careful and prudent in taking care of their own money, I accept that there is doubt as to whether or not small investors are in a position to assess objectively all the risks involved. I am not so much worried about their inability to assess the risks of investing in leveraged contracts in foreign exchanges. On this they can best learn from experience, which I hope will not be a bitter one. What is of more concern to me is their inability to assess the risks of giving full discretion to these unregulated foreign exchange companies, purportedly to invest on their behalf, thus subjecting themselves to the possibility of rigged trading and churning by some of these companies.

An internal working group in the Monetary Affairs Branch has been looking at the matter. In general, three options can be identified. The first is to allow these

companies to regulate themselves. In view of the nature and the record of complaints, I consider this to be an unacceptable option. Although some of these companies have taken steps to form themselves into associations, and there has been much publicity about such matters as the drafting of codes of practice, we have yet to be convinced that these developments will result in investors being provided with the protection they need. Investors should specifically note that none of these associations has been recognized or in any way accepted by Government as a self-regulatory organization.

The second option is to create a new and comprehensive regulatory system for this type of activity. Such a system could include a registration procedure open only to companies which are considered fit and proper by a registration authority, and the registration of directors, account executives and managers of discretionary accounts. There could be full capital adequacy requirements, elaborate requirements for the maintenance of accounts and clear documentation, standardized margin requirements, a code of conduct, and possibly a compensation fund. The regulator could be given powers of inspection and enquiry, and there could be disciplinary proceedings, sanctions and penalties against malpractices, including revocation of registration.

But I have a concern over such an option. A new and comprehensive regulatory system would be very expensive for taxpayers. There are in any case authorized institutions under the Banking Ordinance, which are supervised by the Commissioner of Banking, and other well-established institutions of international repute providing opportunities to invest in foreign currencies. The extent of leverage that such institutions are prepared to offer may well be lower, but this is on grounds of prudence and is, I believe, in the best interests of investors themselves.

The third option is to restrict this type of activity to institutions that are supervised by the existing authorities, for example, authorized institutions under the Banking Ordinance, and certain specified persons under the Securities and the Commodities Trading Ordinances. This option, though, would have the disadvantage of hitting everybody who is outside the existing regulatory system. Provision would therefore need to be made under such an option for those which are prudently run to offer themselves to be considered for inclusion within this framework. This is the option we at present favour. It is likely, however, that amendments to legislation would be required, and further examination of the matter is necessary before a decision can be taken.

In the meantime, we have frequently been issuing "health warnings" about the risks of dealing with these unregulated foreign exchange companies. I am grateful also to the media for producing some good quality and often revealing programmes on such companies for the benefit of investors. But I do stress again that investors themselves have a responsibility. It is never sensible to entrust one's money in the hands of people who lack a good track record of safeguarding the interests of their clients, however attractive their sales literature or the promises they make. It is always wiser to rely upon the services of a reputable and well-established institution even if the returns offered seem less exciting.

Japanese military currency

10. MRS TU asked: Will the Government inform this Council of the progress made regarding the redemption of Japanese military currency held by local residents since the question was last raised in the Legislative Council sitting held on 18 July 1990?

FINANCIAL SECRETARY: As mentioned in my earlier answer on 18 July 1990, questions concerning the alleged responsibility of a foreign government are matters for the Government of the United Kingdom, and not the Government of Hong Kong. This matter has been referred to the Government of the United Kingdom, and it is still under consideration.

Motions

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:

"That--

(a) the functions exercisable by the Registrar General by virtue of section 10 of the Hong Kong Export Credit Insurance Corporation Ordinance (Cap. 1115) be transferred to the Commissioner of Insurance; and

(b) section 10 of the Hong Kong Export Credit Insurance Corporation Ordinance (Cap. 1115) be amended in subsections (2)(a) and (3), by repealing 'Registrar General' and substituting 'Commissioner of Insurance'."

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

According to section 10(2) of the Hong Kong Export Credit Insurance Corporation Ordinance, the Corporation's Advisory Board shall consist of the "Registrar General or his representative" and the Executive Director, Hong Kong Trade Development Council or his representative as ex-officio members and not more than 10 other members to be appointed by the Governor.

The Registrar General's position in the Advisory Board has all along been filled by the previous Insurance Authority under the Registrar General's Department. Following a recent reorganization of the Registrar General's Department, the work of the Insurance Authority has been transferred to the newly-established Office of the Commissioner of Insurance under the Monetary Affairs Branch since June 1990. Consequently, it has been agreed in consultation with the Commissioner of the Corporation, the Registrar General and the Commissioner of Insurance that the Registrar General's ex-officio membership of the Advisory Board should be taken over by the Commissioner of Insurance who has statutory responsibility over and expertise in the insurance industry.

This resolution drawn under section 54A of the Interpretation and General Clauses Ordinance seeks to give effect to the change I have just described.

Sir, I beg to move.

Question on the motion proposed, put and agreed to.

TELEPHONE ORDINANCE

THE SECRETARY FOR ECONOMIC SERVICES moved the following motion:

"That, with effect from 1 January 1991, the Schedule to the Telephone Ordinance be repealed and the following substituted --

"SCHEDULE [s. 26]

PART I
EXCHANGE LINE CHARGES

Item	Particulars of Charge	Amount of Charge
1.	For an exchange line used for business purposes --	
	(a) exclusive service	\$936 per annum
	(b) two party service	\$636 per annum
2.	For an exchange line in a bona fide place of residence --	
	(a) exclusive service	\$672 per annum
	(b) two party service	\$384 per annum
3.	For a "Hunting" exchange line	\$1,200 per annum
4.	For a "Direct Dialling In" exchange line	\$3,192 per annum
5.	Associated charges for items 1, 2, 3 and 4 --	
	(a) connection	\$600
	(b) removal within the same building	\$300
	(c) removal to a different building	\$600
6.	For a temporary exchange line with standard telephone to a ship by landline --	

- (a) connection \$600
- (b) rental for the period \$69 per day
between connection and recovery

7. For a "Centrex" exchange line --

(a) connection --

- (i) for the first 20 lines \$600 per line
- (ii) for the next 180 lines \$450 per line
- (iii) for additional lines \$300 per line

(b) rental --

- (i) for the first 20 lines \$1,452 per line
per annum
- (ii) for the next 30 lines \$1,320 per line
per annum
- (iii) for the next 150 lines \$1,188 per line
per annum
- (iv) for additional lines \$996 per line
per annum

(c) removal within the same \$300 per line
building

(d) removal to a different building --

- (i) for the first 20 lines \$600 per line
- (ii) for the next 180 lines \$450 per line

(iii) for additional lines \$300 per line

(e) conversion of an in-situ \$275
exchange line to a
"Centrex" line

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

PART II

CHARGES FOR INTERCONNECTION OF PUBLIC MOBILE RADIOTELEPHONE SERVICE (PMRS) AND VALUE ADDED SERVICE (VAS) TO THE PUBLIC SWITCHED TELEPHONE NETWORK (PSTN)

(See Note 1)

Item	Particulars of Charge	Amount of Charge
1.	(a) For an interconnection line between PMRS and PSTN	\$69 per month (see Note 2)
	(b) For an interconnection line between VAS and PSTN	\$69 per month (see Note 3)
2.	Associated charges for item 1 --	
	(a) connection of an interconnection line	\$600 (see Notes 2 and 3)
	(b) removal of an interconnection line within the same building	\$300 (see Notes 2 and 3)
	(c) removal of an interconnection line to a different building	\$600 (see Notes 2 and 3)

3. (a) For usage of an 9 cents per minute
interconnection line subject to Notes 2
between PMRS and PSTN and 4
- (b) For usage of an 9 cents per minute
interconnection line subject to Notes 3
between VAS and PSTN and 4

Note: 1. Value Added Service includes public services such as direct-dialling-in radio paging, viewdata, facsimile, electronic mail-box, voice mail-box and other public non-exclusive telecommunications services licensed under the Telecommunication Ordinance (Cap. 106).

2. All charges are raised against the provider of PMRS and not customers of PMRS.
3. All charges are raised against the provider of VAS and not customers of VAS.
4. In item 3, the usage charge is calculated monthly on the accumulated number of minutes for which the interconnection line is used, rounded up to the nearest minute.

PART III

TELEPHONE APPARATUS, EXTENSION AND LEASED CIRCUIT CHARGES

Item	Particulars of Charge	Amount of Charge
1.	For a standard telephone instrument (see Note 1)	\$84 per annum
2.	For a coin box private payphone --	
	(a) rental (see Note 1)	\$3,000 per annum
	(b) for each local call	50% of the call charge collected

(see Note 3)

3. For an internal extension within the same curtilage as the PABX which was in existence before 1 July 1983 (see Note 2) --
 - (a) circuit only with socket or terminal block \$84 per annum
 - (b) connection or removal \$300

4. For an external extension routed between a building and a telephone exchange --
 - (a) rental, per 2 wire circuit presentation \$624 per annum
 - (b) connection or removal to a different building \$600
 - (c) removal within the same building \$300

5. For an external extension between 2 telephone exchanges, per 2 wire circuit presentation (inclusive of any line conditioning equipment) --
 - (a) not exceeding a radial distance of 2 kilometres \$948 per annum
 - (b) for each additional 500 radial metres or part thereof \$276 per annum

6. For an external extension automatic relay set in an exchange --
 - (a) rental \$180 per annum
 - (b) connection \$154

7. For a leased circuit within the same curtilage --
 - (a) circuit only with socket or terminal block \$132 per annum
 - (b) connection or removal \$300

8. For a leased circuit routed between a building and a telephone exchange --
 - (a) rental --
 - (i) category 1 \$624 per annum
 - (ii) category 2 \$624 per annum
 - (iii) category 3 \$1,248 per annum
 - (iv) category 4 \$1,248 per annum
 - (v) category 5 \$1,248 per annum
 - (vi) category 6 \$22,980 per annum
 - (vii) category 7
 - (1) not exceeding a radial distance of 1 kilometre \$29,748 per annum

(2) each additional 500 radial metres or part thereof \$7,440 per annum

(b) connection or removal to a different building --

(i) category 1	\$600
(ii) category 2	\$600
(iii) category 3	\$600
(iv) category 4	\$600
(v) category 5	\$600
(vi) category 6	\$1,500
(vii) category 7	\$2,200

(c) removal within the same building --

(i) category 1	\$300
(ii) category 2	\$300
(iii) category 3	\$300
(iv) category 4	\$300
(v) category 5	\$300
(vi) category 6	\$770
(vii) category 7	\$1,700

9. For a leased circuit between 2 telephone exchanges (inclusive of any line conditioning equipment) not exceeding a radial distance of 2 kilometres --

(i) category 1	\$960 per annum
(ii) category 2	\$948 per annum
(iii) category 3	\$1,968 per annum
(iv) category 4	\$1,968 per annum
(v) category 5	\$4,056 per annum
(vi) category 6	\$8,784 per annum
(vii) category 7	\$11,904 per annum

10. For each additional 500 radial metres or part thereof between 2 telephone exchanges (inclusive of any line conditioning equipment) --

(i) category 1	\$252 per annum
(ii) category 2	\$276 per annum
(iii) category 3	\$624 per annum
(iv) category 4	\$624 per annum
(v) category 5	\$1,020 per annum
(vi) category 6	\$1,080 per annum

(vii) category 7 \$1,488 per annum

11. For a leased circuit automatic relay set in an exchange --

(a) rental \$180 per annum

(b) connection \$154

Note: 1. In items 1 and 2 a connection fee of \$154 will be charged if no other connection or removal fee is charged for associated work carried out at the same time.

2. Any other PABX work performed by the Company would be subject to mutual agreement between the Company and the customer.

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).

PART IV

SPECIAL APPARATUS

Item	Particulars of Charge	Amount of Charge
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Annual	Connection	
Charge	or Removal	

1. For Line Conditioning Equipment --

(a) 2 wire repeater \$2,460 \$2,100

(b) 2 wire to 4 wire \$4,440 \$3,140
terminating unit

(c) loop extender \$1,800 \$1,380

(d) signalling relayset for a \$4,200 \$2,040

central battery circuit
routed over a PCM link

(e) signalling relayset for an \$4,200 \$2,040
out of area exchange line
of PBX external extension

(f) termination relayset for a \$7,560 \$2,590
central battery circuit
routed over a 4-wire
physical cable circuit

(g) termination relayset for an \$7,560 \$2,590
out of area exchange line
or PBX external extension
routed over a 4-wire
physical cable circuit

(h) amplifier/negative (see (see
impedance repeater/ Note 1) Note 1)
amplitude equaliser/delay
and amplitude equaliser

2. For Audio Broadcast panel --

(a) connection (stock exchange -- (see
type) Note 1)

(b) connection to the output \$84 (see
circuit Note 1)

3. For a Ringing Supply circuit --

(a) using eliminator \$132 (see
Note 2)

(b) from public exchange \$660 (see
(subject to prior agreement Note 2)
with the Company)

4. For a Power Supply circuit --

(a) using eliminator \$132 (see
Note 2)

(b) from public exchange \$660 (see
(subject to prior agreement Note 2)
with the Company)

(c) standby equipment (see (see
Note 1) Note 1)

5. For Branching panel \$1,320 \$440

Note: 1. In items 1(h), 2(a), 2(b), and 4(c) a charge calculated in accordance with a costing formula agreed from time to time by the Postmaster General.

2. In items 3(a), 3(b), 4(a) and 4(b) a connection fee of \$140 will be charged if no other connection or removal fee of associated work carried out at the same time.

PART V

MISCELLANEOUS CHARGES

Item	Particulars of Charge	Amount of Charge
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1. For a Private Automatic Branch
Exchange (PABX) owned by a
subscriber and in existence
before 1 July 1983 (see Note 3) --

(a) connection and removals (see Note 1)

(b) maintenance per installed
extension for --

(i) strowger equipment \$204 per annum

(ii) cross bar equipment \$204 per annum

(iii) semi-electronic \$204 per annum

(iv) electronic-analogue \$204 per annum
equipment

(v) electronic-digital \$324 per annum
equipment

(vi) other types of \$204 per annum
equipment

(c) minor work \$11 per item
(see Note 2)

2. For connection or disconnection \$70 per item
of privately owned apparatus

3. Evaluation of privately owned
apparatus --

(a) connected to PSTN or PABX --

(i) for ordinary telephone \$2,500

(ii) for feature telephone \$4,000
(with handsfree
and/or autodialling)

(iii) for feature \$5,000
equipment, alarm
system, answering and
recording machine and
autodialler

(iv) for modem and \$5,000
facsimile equipment

	(v) for other items	(see Note 1)
	(b) connected to leased circuit --	
	(i) for modem and facsimile equipment	\$4,500
	(ii) for other items	(see Note 1)
4.	(a) For changing a telephone instrument or socket at subscriber's premises at request of subscriber	\$154
	(b) For each additional telephone changed at the same time	\$55
	(c) For changing a telephone instrument at request of subscriber (changed instrument to be collected by subscriber)	\$50
5.	For changing a telephone number at request of subscriber	\$264 per number
6.	For changed telephone number interception service (first month free of charge), subject to prior agreement with the Company	\$150 per month per number
7.	For registration of a change of name for an existing subscriber or user	\$125 per number

- | | | |
|-----|---|--------------------------------|
| 8. | For registration of a different subscriber for an existing installation | \$125 per number |
| 9. | For any combination of registration, number change, etc. | \$660 per number maximum |
| 10. | For reconnecting a service disconnected for non-payment of charges | \$125 per number |
| 11. | Administration charge for work undertaken but subsequently cancelled at request of subscriber | \$110 per number |
| 12. | For Change of Billing Telephone Number | \$25 per change |
| 13. | For a telephone pole, when provided for services other than a permanent exchange line service | \$330 per pole |
| 14. | For connection device for privately owned apparatus | \$36 per annum
(see Note 2) |
| 15. | For message waiting, internal wiring only | \$24 per annum
(see Note 2) |
| 16. | Surcharge for work undertaken outside normal operating hours at request of subscriber. For each item of work which attracts a standard charge of -- | |
| | (a) up to \$500 | \$35 |

(b) \$501 to \$600	\$55
(c) \$601 or more	(see Note 1)
17. For a service at a subscriber's request which is not otherwise provided for in this Schedule	(see Note 1)
18. For an abortive visit due to mis-reporting of line fault when terminated on equipment not supplied by the Company --	
(a) between 8 a.m. and 5 p.m. on weekdays or between 8 a.m. and 12:30 p.m. on Saturdays	\$125 per visit
(b) outside the hours mentioned in paragraph (a)	\$245 per visit
19. For an ex-directory unlisted telephone number --	
(a) where the telephone number is in addition to a listed number in the same name at the same address	Free of charge
(b) where there is no additional telephone number listed in the same name at the same address (minimum period 12 months) --	
(i) registration	\$110
(ii) service	\$156 per annum

20. For each additional entry in small type in either the English or Chinese section of the Telephone Directory (minimum period 12 months) --
- (i) registration \$100
- (ii) service \$144 per annum
21. For change of entry in either the English or Chinese section of the Telephone Directory at the request of subscriber which does not involve a change in registration (pay on receipt of request) \$100 per entry
22. For each additional copy of the Telephone Directory in excess of free allowance \$30 per volume
23. (a) For an interconnection line between subscriber's message recording equipment and the public switched telephone network \$2,880 per annum (see Note 4)
- (b) Other charges for an interconnection line --
- (i) connection \$600 (see Note 4)
- (ii) removal within same building \$300 (see Note 4)

(iii) removal to a different building	\$600 (see Note 4)
(c) For usage of an interconnection line	\$1 per minute (see Note 4)

Note: 1. In items 1(a), 3(a) (v), 3(b) (ii), 16(c) and 17 a charge calculated in accordance with a costing formula agreed from time to time by the Postmaster General.

2. In items 1(c), 14 and 15 a connection fee of \$140 will be charged if no other connection or removal fee of associated work carried out at the same time.

3. Any other PABX work performed by the Company would be subject to mutual agreement between the Company and the customer.

4. Charges are payable by the subscriber to the Infoline service who has connected message recording equipment to the interconnection line for the provision of an information retrieval service.

PART VI

TELEPHONE CALL CHARGES

Item	Particulars of Charge	Amount of Charge
1.	Local call from a public payphone	\$1 per call
2.	International telephone call are contained in the terms referred to in section 25 of the Ordinance	Such charges as
3.	Local operator assisted conference call or part thereof	\$12 per party per 15 minutes

4. International operator assisted conference call --

- | | | |
|-----|--|--------------------------------------|
| (a) | Originating party conference call | \$36 per |
| (b) | Party in another country international call charge | Person to person |
| (c) | Distant administration's connection charge | Charge as set by that administration |
| (d) | Additional parties in Hong Kong call | \$12 per party per conference |

5. For international toll free calls from outside Hong Kong --

- | | | |
|-----|--|-----------------|
| (a) | Registration | \$1,000 |
| (b) | Service | \$4,500 |
| (c) | International telephone call are contained in the terms referred to in section 25 of the Ordinance | Such charges as |

6.	Surcharge for making international telephone calls at public and private payphones telephone call referred to in item 2	10% for the charges for international
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PART VII

OBLIGATORY EQUIPMENT AND SERVICES

Item	Particulars of Charge	Amount of Charge
1.	For internal extension wiring --	
	(a) connected to a single exchange line with socket or terminal block	Free of charge
	(b) connected to the Private Manual Branch Exchange (PMBX) switchboard with socket or terminal block	\$84 per annum
	(c) connection or removal	\$300
2.	For a 1+3 switching equipment (all colours) --	
	(a) with battery eliminator	\$264 per annum
	(b) with battery	\$396 per annum
	(c) connection or removal	(see Note 2)
3.	For Starline Services --	
	(a) rental for features including abbreviated dialling, additional abbreviated dialling, do-not-disturb, appointment service, IDD barring, call waiting, call-forwarding --	

(i) any 1 feature	\$120 per annum
(ii) any 2 features	\$180 per annum
(iii) any 3 features	\$228 per annum
(iv) any 4 features	\$276 per annum
(v) any 5 features	\$312 per annum
(vi) any 6 features	\$348 per annum
(vii) any 7 features	\$384 per annum
(viii) connection or change of features	Free of charge
(b) (i) rental for conference (3-way) calling	\$120 per annum
(ii) connection or change of features	Free of charge

4. For Private Manual Branch
Exchange (PMBX) and associated
equipment --

(a) PMBX (5+20) switchboard --

(i) rental	\$1,728 per annum
(ii) connection or removal to a different building	\$2,200
(iii) removal within the same building of	\$610

switchboard only

(iv) removal within the same building of associated apparatus \$730

(b) PMBX (10+30) switchboard --

(i) rental \$3,192 per annum

(ii) connection or removal to a different building \$4,180

(iii) removal within the same building of switchboard only \$970

(iv) removal within the same building of associated apparatus \$1,340

(c) PMBX (10+50) switchboard --

(i) rental \$4,800 per annum

(ii) connection or removal to a different building \$4,510

(iii) removal within the same building of switchboard only \$1,100

(iv) removal within the same building of associated apparatus \$1,460

- (d) PMBX (any other capacity)
switchboard --
- (i) rental for capacity of 12 indicators or less \$876 per annum
 - (ii) rental for each additional indicator \$84 per annum
 - (iii) connection or removal to a different building (see Note 1)
 - (iv) removal within the same building (see Note 1)
5. For each additional operator handset or headset \$108 per annum
(see Note 3)
6. For miscellaneous apparatus --
- (a) small extension bell --
 - (i) rental \$72 per annum
 - (ii) connection or removal \$275
 - (b) large extension bell --
 - (i) rental \$84 per annum
 - (ii) connection or removal \$275
 - (c) 4-metre long connecting cord \$44 per cord
(see Note 3)
 - (d) 6-metre long connecting cord \$66 per cord
(see Note 3).

(e)	special dial ring (see Note 3)	\$6 per telephone
(f)	special dial label (see Note 3)	\$1 per telephone
(g)	bell cut-off switch (see Note 3)	\$24 per annum
(h)	watch receiver (see Note 3)	\$48 per annum
(i)	lamp signalling device mains operated	\$48 per annum (see Note 3)
(j)	lamp signalling transformer (see Note 3)	\$72 per annum
(k)	lamp signalling handset (see Note 3)	\$60 per annum
(l)	amplifying handset	\$84 per annum (see Note 3)
(m)	diversion key unit --	
	(i) rental	\$24 per annum
	(ii) connection or removal	(see Note 1)
(n)	Conquest handset (see Note 3)	\$168 per annum
(o)	Inductive coupler (see Note 3)	\$72 per annum
(p)	Autodialler (see Note 3)	\$444 per annum

(q) Speakerphone	\$132 per annum
(see Note 4)	
(r) Pressac tone ringer --	
(i) rental	\$84 per annum
(ii) connection or removal	\$275
7. For a tropical cyclone warning service (minimum period 12 months) --	
(a) registration	\$100
(b) service	\$168 per annum
8. For a thunderstorm and heavy rain warning service (minimum period 12 months) --	
(a) registration	\$100
(b) service	\$264 per annum
9. For a flood warning service (minimum period 12 months) --	
(a) registration	\$100
(b) service	\$168 per annum
10. Advice of duration of an outgoing international telephone call	\$3 per call
11. For non-standard telephone	

instruments --

(a) Big button telephone (see Note 4)	\$156 per annum
(b) Executive I telephone (see Note 4)	\$180 per annum
(c) Easaphone telephone (see Note 4)	\$336 per annum
(d) Satellite telephone (see Note 4)	\$312 per annum

12. For an emergency alert telephone
(inclusive of one radio trigger
unit and one confirmation unit) --

(a) rental	\$1,692 per annum
(b) each additional radio trigger unit	\$324 per annum
(c) each additional confirmation unit	\$204 per annum
(d) connection (see Notes 5 and 6)	\$200
(e) connection of extension wiring from the main socket	\$275
(f) removal within the same building for which rewiring is required	\$275
(g) removal within the same building for which no rewiring is required	\$140

(h) removal to a different building \$200
(see Note 6)

13. Surcharge for interpreter handling service --

(a) for successful calls \$143 per call
(see Note 7)

(b) for calls requested but subsequently cancelled by subscriber \$60 per call
(see Note 7)

Note: 1. In items 4(d) (iii), 4(d) (iv) and 6(m)(ii) a charge calculated in accordance with a costing formula agreed from time to time by the Postmaster General. The charge calculated shall not be less than \$1,375 in respect of item 4(d)(iii) and \$600 in respect of item 4(d)(iv).

2. In item 2(c), a connection fee of \$154 will be charged if no other connection or removal fee of associated work carried out at the same time.

3. In items 5, 6(c), 6(d), 6(e), 6(f), 6(g), 6(h), 6(i), 6(j), 6(k), 6(l), 6(n), 6(o) and 6(p) a connection fee of \$140 will be charged if no other connection or removal fee of associated work carried out at the same time.

4. In items 6(q), 11(a), 11(b), 11(c) and 11(d) no connection fee will be charged for a telephone instrument installed at the same time as the related exchange line or for an additional telephone instrument installed at the same time as the related internal extension. A fee of \$154 will be charged for changing a telephone instrument and a fee of \$55 for changing an additional telephone instrument.

5. In item 12 a fee of \$140 will be charged for the connection of each additional radio trigger unit or confirmation unit.

6. In item 12 no connection or removal fee will be charged for the system installed or removed at the same time as the related exchange line or related internal extension

if no extension wiring for the main socket is required.

7. In item 13, in addition to the surcharge, the subscriber is also required to pay for the international telephone call charge, international operator assisted conference call charge, the charge for the advice of duration of an outgoing international telephone call and the charges for interpretation raised by interpretation agency."

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

Under section 26(2) of the Telephone Ordinance, this Council is empowered to amend, by resolution, the Schedule of maximum charges that may be levied by the Hong Kong Telephone Company.

In September 1990, the Company submitted an application to increase its charges by an overall average of 11%. This is about 3% less than the accumulated inflation rate since the last increase in June 1989 and is close to the annual rate of inflation.

In moving the resolution for the last increase, the acting Financial Secretary informed Members, based on projections then available, that there was unlikely to be any requirement for a further round of increases until 1991. The motion before this Council today would implement further increases in telephone charges from 1 January 1991. While this would accord with the letter of the forecast given to this Council in 1989, the increases are nevertheless a few months earlier than expected. This is due to lower than expected growth in revenue from international telephone services and leased circuits, and higher costs than were forecast by the company in 1989. The application has been thoroughly examined and the items in the resolution now before this Council are considered to be justified.

The major items in the proposed tariff revision are the increases in exchange line rental charges. The resolution would increase the monthly cost of an ordinary exchange line for business use from \$70 to \$78, and for a residential exchange line from \$48 to \$56. The proposed increase in the monthly rental charge for a standard telephone is from \$6 to \$7. Leased circuit charges would be increased by between 10% and 16.7% depending on the category. However, the standard connection charge of \$600 would remain unchanged, as would a large number of other miscellaneous charges, such as those for special equipment.

In addition to raising charges for existing services, the resolution would add

two new minor items to the Schedule : a charge of \$275 for conversion of an already installed exchange line to a Centrex line, instead of the full charge of up to \$600 for connection of a Centrex line; and a 10% surcharge for international telephone calls made from public and private payphones. This surcharge is justified on the basis of the additional administrative cost incurred for international calls made from payphones.

The resolution before this Council proposes that these two new charges and the increases in existing charges should take effect from 1 January 1991.

Sir, I beg to move.

At this point, Mr David LI declared interest as Deputy Chairman of the Hong Kong Telecommunication Ltd.

Question on the motion proposed, put and agreed to.

WEAPONS ORDINANCE

THE SECRETARY FOR SECURITY moved the following motion:

"That with effect from 2 January 1991, the Schedule to the Weapons Ordinance be amended --

(a) by repealing "Flick-knife";

(b) by adding "whether spiked or not and with or without blade" after "Knuckleduster"; and

(c) by adding at the end --

"Any knife the blade of which is exposed by a spring or other mechanical or electric device

Any bladed or pointed weapon designed to be used in a fashion whereby the handle is held in a clenched fist and the blade or point protrudes between the fingers of the fists"."

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

The Schedule to the Weapons Ordinance specifies those weapons the possession of which is prohibited. In recent years, new weapons which are not covered by the existing items in the Schedule, but which have no useful purpose other than as vicious fighting weapons, have appeared in Hong Kong. Examples are knuckle knives and micro knives. It is necessary to amend the Schedule to include these items as prohibited weapons.

The resolution seeks to include the following in the Schedule --

- (a) knuckledusters, whether spiked or not and with or without blade;
- (b) any knives the blade of which is exposed by a spring or other mechanical or electrical device; and
- (c) any bladed or pointed weapon designed to be used in a fashion whereby the handle is held in a clenched fist and the blade or point protrudes between the fingers of the fist.

The resolution also seeks to delete from the Schedule "knuckleduster" and "flick-knife", which will be covered by the new items added to the Schedule.

Sir, I beg to move.

Question on the motion proposed, put and agreed to.

Second Reading of Bill

KOWLOON-CANTON RAILWAY CORPORATION (AMENDMENT) BILL 1990

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

Question on the Second Reading of the Bill proposed, 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.

KOWLOON-CANTON RAILWAY CORPORATION (AMENDMENT) BILL 1990

Clauses 1 to 7 were agreed to.

Council then resumed.

Third Reading of Bill

THE ATTORNEY GENERAL reported that the

KOWLOON-CANTON RAILWAY CORPORATION (AMENDMENT) BILL 1990

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

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

Bill read the Third time and passed.

Adjournment and next sitting

HIS HONOUR THE PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday, 12 December 1990.

Adjourned accordingly at twelve minutes to 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.