



# DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES  
BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

Wednesday, May 1, 1996

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Reference to Hong Kong in the US Special 301 Report

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The Government notes that the US Trade Representative has just published the annual Special 301 report, in which Hong Kong is mentioned under the "Other Observations" category, amongst 19 other trading partners.

"We are surprised to see Hong Kong mentioned in the Report given our firm commitment to, and vigorous implementation of, intellectual property rights (IPR) protection in Hong Kong," a spokesman for the Trade and Industry Branch today (Wednesday) said.

"We are however pleased to note that due recognition has been given in the Report to the various steps taken by the Hong Kong Government in enforcing IPR protection in Hong Kong. We also note the US intention to review Hong Kong's position in six months' time.

"The Hong Kong Government is firmly and totally committed to combating copyright piracy and trademark counterfeiting. We act decisively against IPR infringers within Hong Kong's rule of law. We will continue with our plans for enhancing IPR protection in Hong Kong," the spokesman said.

"On the legislative front, the level of maximum penalties against copyright pirates was substantially increased last May. New copyright piracy offence provisions were passed by the Legislative Council on April 24, 1996, to make it an offence for any person to manufacture outside Hong Kong for export to Hong Kong pirated copyright goods.

"Any person who, whether in Hong Kong or elsewhere, aids, abets or procures such activities will also be liable to the same offence.

"This will help tackle masterminds of cross-border copyright piracy activities more effectively.

"New customs border measures will soon be put in place to enable copyright owners to apply for court orders to detain suspected imports of pirated copyright goods so as to facilitate their initiation of civil proceedings. This measure is in addition to the existing criminal enforcement by the Hong Kong Customs.

"In addition, we are also taking vigorous enforcement action. We have:

- a) adopted a pro-active enforcement approach in the form of intelligence gathering and investigation work relating to alleged triad and organised criminal involvement in local and cross-border copyright piracy activities. Customs and the Police have been closely co-operating with each other on this front;
- b) increased by 40% over three years the number of enforcement staff in order to strengthen the Customs' capability in enforcement and prosecution, intelligence gathering, border surveillance and interceptions; and
- c) instituted closer co-operation between the Hong Kong Customs and the relevant IPR enforcement authorities in the Guangdong Province and the Shenzhen Special Economic Zone. Good progress has been made on a number of initiatives, including the setting up of specific contact points, exchange of information and intelligence, organisation of visits and seminars, and where appropriate, the possibility of mounting co-ordinated anti-piracy operations."

Under Special 301 provisions, the US Trade Representative is required to publish annually lists of countries which offer inadequate IPR protection to US IPR investments in these countries.

The lists are ranked in the following descending order in terms of seriousness in IPR violation : "Priority Foreign Country List", "Priority Watch List" and "Watch List". There is also the lowest category "Other Observations" in the Report.

In this year's Report, there are some 50 countries named in categories above "Other Observations" and some twenty trading partners referred to in "Other Observations".

Except for countries named in the "Priority Foreign Country List", the US law does not require Special 301 action against countries named in any of the other categories. Hence, there will not be any immediate threat of trade sanction against Hong Kong.

Separately, the US Trade Representative's report names China as a "Priority Foreign Country".

"We note that negotiations are continuing between China and the US on the latter's concerns with IPR protection in China. This is a bilateral trade matter between China and the US, and we hope that it will be resolved through dialogue," the spokesman said.

End

### WTO reaches agreement on basic telecommunications

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The negotiations on basic telecommunications conducted under the auspices of the World Trade Organisation (WTO), ended in Geneva yesterday (Tuesday) with an agreement reached on opening up markets for basic telecommunications services.

The agreement will come into effect on January 1, 1998. However, participants in the negotiations will have the flexibility to make final adjustments to their commitments between January 15 and February 15, 1997, following further consultations on a few outstanding issues which arose very late in the negotiations.

Participants agreed that these issues needed to be studied more thoroughly. A special group will be formed to carry out such consultations which will commence within 90 days and will complete by February 15, 1997.

A total of 39 WTO members (European Union counted as one), accounting for over 80% of the global value of basic telecommunications services, have made various levels of binding commitment to open their basic telecommunications markets to competition.

"We are very pleased that an agreement on the liberalisation of basic telecommunications services has been achieved in the WTO," a government spokesman said.

"Basic telecommunications is a very large market globally (estimated at over US\$500 billion p.a.) with enormous potential for Hong Kong services suppliers," he noted.

The agreement reached under the negotiations will provide additional impetus to the global trend of liberalisation in telecommunications markets, and will enhance the opportunities for telecommunications operators to enter lucrative foreign markets.

The consumer will also benefit significantly from the liberalisation of the basic telecommunications market. The introduction of competition into the market is expected to foster more rapid technological advancement, reduce service charges, and provide customers with more choices.

Hong Kong's commitments made under the negotiations include the opening up of its markets for domestic services in full including fixed network and mobile services, and for a range of international services including call-back, self-provision of external satellite circuits, and mobile satellite services.

Many participants in the negotiations, including Hong Kong, have also committed to observe a set of regulatory principles aimed to ensure fair competition among all suppliers of telecommunications services.

The negotiations on basic telecommunications are an extension of the Uruguay Round of multilateral trade negotiations completed in 1994. At the close of the Uruguay Round, it was agreed that negotiations on basic telecommunications should continue until the end of April this year in order to allow more time for participants to negotiate with a view to achieving higher levels of liberalisation in this market.

End

#### More construction activities to face noise controls

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New controls on certain noisy construction activities will come into effect on November 1.

"Under the new regulations, five items of powered mechanical equipment, including hand-held breakers, dump trucks, bulldozers, concrete mixer lorries and vibratory pokers, will be subject to stringent noise limits if they are to be operated in designated areas during noise sensitive hours," Senior Environmental Officer of the Environmental Protection Department (EPD), Mr Sam Wong, said.

Also to be controlled will be certain noisy manual activities, such as hammering, scaffolding work, rubble disposal through metal chutes and the handling of steel bars.

The noise sensitive hours are defined as those between 7 pm and 7 am on weekdays, and at any time during general holidays, including Sundays.

Designated areas cover generally the residential districts of Hong Kong, Kowloon and new towns in the New Territories.

Under the new controls to be implemented later this year, the carrying out of specific construction activities in designated areas and noise sensitive hours would need a construction noise permit from the EPD, Mr Wong said.

"However, noise permits will only be granted under very stringent conditions in accordance with the relevant Technical Memorandum, and these controls will amount to a virtual ban on non-essential construction work at night-time and during holidays" he added.

Maps showing the designated areas are available for inspection in EPD's Local Control Offices (LCOs). Application forms for construction noise permits and relevant Technical Memorandum can also be obtained at the LCOs.

The districts covered by the LCOs and their respective enquiry numbers are as follows:

<u>LCOs</u>	<u>Districts Covered</u>	<u>Enquiry No.</u>
Territory East	Kwun Tong, Wong Tai Sin, Sai Kung	2702 7552
Territory North	Shatin, Tai Po, North	2634 3805
Territory South	HK Island, Islands	2516 1733
Territory West	Tuen Mun, Yuen Long	2411 9635
Urban East	Sham Shui Po, Kowloon City, Yau Tsim Mong	2402 5252
Urban West	Tsuen Wan, Kwai Tsing	2417 6110

End

#### Regional bond clearing and settlement systems for Asia

\* \* \* \* \*

It is time Asia had its own regional network of bond clearing and settlement systems, the Hong Kong Monetary Authority (HKMA), said today (Wednesday).

"An AsiaClear system to clear Asian and international bonds in the Asian time zone with greatly reduced settlement risk is now a distinct possibility.

"Payment systems could similarly be linked up as a network, hopefully on real time," said the Chief Executive of HKMA, Mr Joseph Yam, in delivering his speech at the 29th Annual Meeting of the Board of Governors of the Asian Development Bank (ADB) this morning in Manila.

The sound market infrastructure is crucial to the development of financial markets, he said, citing the example of the Eurodollar bond market which took off in 1968 when Euroclear was established to facilitate book entry clearing and settlement of Eurodollar bond transactions.

In Hong Kong, the domestic bond market blossomed when HKMA installed an efficient debt securities clearing system.

"Hong Kong stands ready to pursue linkages with other markets, either on a bilateral or on a multilateral basis, in building up such networks," said Mr Yam.

"The ADB, as the premier financial institution and bond issuer in the Region, should explore and support the development of this AsiaClear and other financial infrastructural networks."

The development of AsiaClear could help improve resource mobilisation or financial intermediation in Asia, a matter of strategic importance to this Region, Mr Yam said.

The ADB has estimated that the requirement for infrastructure investment in Asia would reach US\$280 billion a year, or over a trillion US dollars to the year 2000.

By comparison, domestic savings in the Region seem inadequate notwithstanding the high savings rates of over 30 per cent of gross domestic product and very substantial reserves of over US\$600 billion in Asia.

"In short, the framework of financial intermediation in the Region is not as effective as the situation demands," said Mr Yam.

"I believe strongly that in the area of the development of financial markets and their market infrastructure, domestic authorities do have important responsibilities to carry."

End

### Dangerous roof-top structures to be demolished

\* \* \* \* \*

The Building Authority today (Wednesday) declared that a number of unauthorised roof-top structures at Yan Oi Court, Kwun Tong, would be demolished for public safety.

Under the Buildings Ordinance, the Buildings Department served a statutory order to the property owners of Chung Hing House in Yan Oi Court this morning, requiring them to demolish some 20 illegal structures on the rooftop of the building.

The Assistant Director of Buildings (Control and Enforcement), Mr Cheung Hau-wai, said the structures, lacking proper means of escape, were posing an imminent danger to the residents in case of fire.

The owners have two months' time to remove the structures, and if they fail to comply with the order, the Government will carry out the works on their behalf and all the necessary cost including a supervision fee will be recovered from them.

Noting that about 75 persons from 20 families would be affected by the clearance, Mr Cheung said if the occupants had any request for re-housing, their cases would be considered by the Housing Department according to eligibility.

The Social Welfare Department and Kwun Tong District Office will also offer assistance to the residents if necessary.

He reiterated that the Government would stand firm in enforcing the clearance. Similar operations for other roof-top structures in the area will also be considered if they were found posing a threat to public safety.

Mr Cheung pointed out that following the collapse of an unauthorised canopy at Chung Hing House in November last year, the Buildings Department had carried out an extensive survey on the three buildings in the vicinity.

The inspection revealed that a large number of unauthorised structures had been erected on the external wall and rooftops of the buildings.

"The Buildings Department subsequently issued a total of 112 orders to the property owners asking them to remove some 190 illegal structures.

"Most of the affected owners are very co-operative and over 80 per cent of the structures have already been voluntarily removed by them.

"For the sake of their own safety, we hope that the other owners will follow suit and demolish the dangerous structures as soon as possible," Mr Cheung said.

End

#### Five lots of land to let

\* \* \* \* \*

The Lands Department is inviting tenders for the short-term tenancies of five pieces of government land on Hong Kong Island and in Kowloon.

Two lots are located at Aldrich Bay Reclamation, Shau Kei Wan, each with an area of about 12,280 square metres. Both are intended for use as fee-paying public car parks for the parking of private cars, coaches and lorries, but excluding containers, tractors, trailers and container vehicles with or without tractors or trailers.

The tenancies for both lots are for six months, renewable monthly.

Covering an area of about 2,510 square metres, the third lot is located at Lo Shue Pai, Chai Wan. It is designated for open storage of tenant's goods, excluding containers, tractors, trailers and container vehicles with or without tractors or trailers.

The tenancy is for one year, renewable quarterly.

The fourth lot is located off Yuet Lun Street, Lai Chi Kok. With an area of about 1.45 hectares, it is intended for use as a fee-paying public car park for the parking of container tractors and trailers only.

The tenancy is for two years, renewable quarterly.

With an area of about 5,320 square metres, the fifth lot is located off Po Lun Street, Lai Chi Kok. It is intended for the parking of private cars, light vans and goods vehicles excluding container tractors and trailers.

The tenancy is also for two years, renewable quarterly.

The closing date for submission of tenders is noon on May 17.

Tender forms, tender notices and conditions may be obtained from the Lands Department, 14th floor, Murray Building, Garden Road and the District Lands Offices of Kowloon West and Hong Kong East.

Tender plans can also be inspected at these offices.

End

Hong Kong Monetary Authority money market operations

\* \* \* \* \*

	\$ million	Time (hours)	Cumulative change (\$million)
Opening balance in the account	2,513	0930	-112
Closing balance in the account	2,201	1000	-112
Change attributable to :		1100	-112
Money market activity	-112	1200	-112
LAF today	-200	1500	-112
		1600	-112

LAF rate 4.00% bid/6.00% offer TWI 123.7 \*+0.2\* 1.5.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.93	2 years	2802	5.16	98.57	6.10
1 month	5.02	3 years	3904	6.30	99.51	6.59
3 months	5.12	5 years	5103	6.75	98.58	7.22
6 months	5.24	7 years	7302	6.02	92.32	7.61
12 months	5.53	5 years	M502	7.30	99.80	7.49

Total turnover of EF bills and notes - \$27,982 million

Closed May 1, 1996

End



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CS's Beijing visit

\* \* \* \* \*

Following is the speech by the Chief Secretary, the Hon Anson Chan, on her visit to Beijing in the Legislative Council today (Wednesday):

Mr President,

The Chief Secretary is delighted to give a full account of her recent visit to Beijing.

At the invitation of Mr Lu Ping, Director of the Hong Kong and Macao Affairs Office of the State Council, I visited Beijing from 25 to 27 April. I was accompanied by the Secretary for Constitutional Affairs and three supporting staff. I had a very useful and businesslike meeting with Mr Lu on 26 April.

Mr Lu and I exchanged views on a wide range of key transitional issues, covering political as well as economic matters. These included co-operation with the Preparatory Committee, the civil service, co-operation with the Chief Executive Officer (Designate), the Provisional Legislature, Hong Kong's economic autonomy and the second runway at Chek Lap Kok.

On co-operation with the Preparatory Committee, honourable members will be aware that on 1 April, our Liaison Office received from the Preparatory Committee Secretariat Hong Kong Office a list of items for co-operation. The full list containing altogether ten items was published by the Secretariat of the Preparatory Committee yesterday evening. After studying the list carefully and in a positive spirit, we arrived at a preliminary response. I made use of my Beijing visit to deliver our response to Mr Lu in his capacity as Secretary General of the Preparatory Committee Secretariat.

I reiterated to Mr Lu our readiness to offer the Preparatory Committee practical assistance on the basis of our three established parameters. Of the ten items put forward by the Preparatory Committee, we have already provided assistance on some of them. In the recent meetings of the Selection Committee sub-group and the Economic sub-group in Hong Kong, we made appropriate security arrangements and facilitated processing of visa applications. We also arranged for the Chief Executive of the Hong Kong Monetary Affairs to give a briefing on the proposed Mortgage Corporation. In addition, the Preparatory Committee had asked for information on the functional constituencies which represented the professional sectors, plus a list of legislation amended or newly made since 1984. These are all factual and open information which I left with Mr Lu during our meeting.

As for the other items, these included giving the Preparatory Committee access to television and radio air time, assisting the activities of the Selection Committee, providing office accommodation and information to the Chief Executive (Designate), providing assistance for the establishment of the Court of Final Appeal, and providing information on Government departments. I explained to Mr Lu that we would require further clarification of the Preparatory Committee's requirements before we could consider further these requests. Both sides agreed that the Liaison Office and the Preparatory Committee Secretariat should follow up.

The Preparatory Committee also sought our assistance for the provisional legislature. On this matter, I reiterated the British Government's and the Hong Kong Government's position on a provisional legislature, and made it clear that we were unable to help in this area. We remained committed, however, to co-operating in other areas consistent with our three established parameters.

On the civil service, I told Mr Lu that my colleagues have found the public statement issued after the recent meeting at The Hague between the two Foreign Ministers reassuring. In particular, they welcomed China's agreement that continuity of the civil service was vital to a successful transition, that all civil servants were welcome to stay on to work for the SARG, and that civil servants should remain loyal to the people of Hong Kong and to the Hong Kong Government before 1 July 1997, and to the Special Administrative Region Government thereafter. I expressed the hope that both sides would continue to build on that to maintain the morale and confidence of the civil service. Mr Lu fully agreed with my sentiments, and repeated the hope that all civil servants would stay on to serve the Special Administrative Region Government.

On co-operation with the Chief Executive Officer (Designate), we had some initial exchange of ideas on the possible modalities for co-operation. I made clear to Mr Lu that we would be offering full co-operation and would provide the Chief Executive Officer (Designate) with sufficient support, whilst ensuring the morale of civil service and the effective administration of Hong Kong. In this connection, I stressed that it would be best to allow Principal Officials (Designate) to remain in their posts but to encourage the closest co-operation and dialogue between them and the Chief Executive Officer (Designate). Both sides agreed to continue discussion.

On the question of a provisional legislature, there remains a fundamental difference between the two sides. The clear and consistent position of both the British and the Hong Kong Governments is that such a body is neither necessary nor desirable. I spent some time explaining why that was so. I made it clear that we were unable to accept two legislative bodies operating in parallel before 1 July 1997. Mr Lu assured me that there would not be a second centre of power in Hong Kong, and that the work of the Preparatory Committee would not interfere with the effective administration of Hong Kong. The Preparatory Committee would be concerned solely with preparing for the normal operation of the SAR Government after 1 July 1997.

On economic matters, I conveyed to Mr Lu the community's concern over Hong Kong's future economic autonomy and, in that context, urged for early Chinese agreement to the six mobile telephone licences. Mr Lu reaffirmed that Hong Kong would have autonomy in handling its own economic and financial affairs, as guaranteed by Joint Declaration and the Basic Law. He also undertook to look into the question of the mobile telephones.

Finally, I took the opportunity to inform Mr Lu that a study conducted by the Airport Authority indicated that there was a strong case to bring forward the commissioning of the second runway at Chek Lap Kok to end 1998. I expressed to Mr Lu HKG's confidence that the Airport Authority would do this cost-effectively. Mr Lu said that the Chinese side had no problem with the project, and suggested that before we put the proposal to the Airport Committee for confirmation, we should brief the Economic Sub-group of the Preparatory Committee. This we will do soon.

All told, the meeting allowed both parties to have a frank exchange of views. It gave me an opportunity to draw Mr Lu's attention to specific Hong Kong concerns and to underline our willingness to co-operate in resolving the remaining transitional issues. Mr Lu and I agreed that we should maintain contact, and that the two sides should step up and intensify co-operation in the final 14 months before the transition. In my view, it is essential for the officials of both sides to increase communication and understanding and develop trust at all levels so that we can achieve a smooth transition on the basis of the Joint Declaration and the Basic Law. I hope to be able to build on the dialogue which I now have with Mr Lu.

Dr Leong Che-hung: Thank you Mr President. Can the Chief Secretary express to this Council whether she considers that any breakthrough has been achieved in Sino-Hong Kong relationship on her visit to Beijing; in particular, has she managed to acquire the assurance of the Chinese Government that civil servants should and must be allowed to maintain political neutrality which is so essential and vital to the running of an efficient civil service?

CS: Mr President, I was not personally expecting any significant breakthrough from this visit but I see this visit as a useful building block in developing a relationship of trust, in seeking a dialogue, and in particular seeing where we can maximise co-operation. I believe this to be what the people of Hong Kong want and what the civil servants wish to see.

Insofar as the position of civil servants is concerned, Mr Liu has, of course, on previous occasions, and again on this occasion, reiterated and reconfirmed the need for civil servants to maintain political neutrality, to be dedicated and loyal to serving the people of Hong Kong before 1997, and to do the same, in terms of serving the SAR Government, after 1997.

Ms Christine Loh: Thank you Mr President. The Chief Secretary just told us that in the area about co-operation with the Chief Executive Designate, that there was some exchange on possible modalities. I wonder if the Chief Secretary could expand upon that? And further, she did point out two particular areas.

She mentioned that there must be effective administration in Hong Kong and also that civil servants should remain in their posts. Could she explain whether these were the modalities that she put forward or whether these are modalities that the Chinese Government has accepted?

CS: Mr President, I think I have made clear in my main reply that although we had a brief discussion of the modalities, we did not reach any final agreement and I do not expect, at one meeting, to be able to reach agreement on what is after all a very important and complex issue.

There are various options, clearly, in terms of ensuring continuity and stability in the civil service. Our preferred option would clearly be - and as I have pointed out in my main reply - for principal officials designate to remain in their posts; for the Chief Executive Designate to be adequately and strongly supported in terms of both resources and particularly manpower; for there to be extremely close co-operation and communication between the Chief Executive and his team and all principal officials designate.

The President: I am a bit surprised that you did not respond to Ms Loh's Freudian slip.

CS: I was too busy, Mr President, listening to the triple-barrelled question.

Mr Yum Sin-ling (in Chinese): Thank you Mr President. Of course if we had a second power centre before 1997, i.e. a provisional legislature - and I am sure the Government won't object to that - but could it be possible that under circumstances or to a certain extent, you could undertake to assist the provisional legislature by indirectly recognising the provisional legislature? Was that ever touched upon?

CS: Mr President, I think our immediate concern is what happens in the lead up to 1 July 1997. In that respect, both Mr Qian Qichen and Mr Lu Ping have made it abundantly clear that there will not be a second centre of power in Hong Kong and that the effective administration of Hong Kong will not in any way be undermined. Indeed, Mr Qian made it quite clear that this side of 1997, the only people and organisations who will exercise power would be the Governor, the present Legislative Council and the Privy Council.

Mr Cheung Man-kwong (in Chinese): Mr President, the Vice Premier, Mr Qian Qichen, has already stated that the Provisional Legislature is a fact: what is done is done. The Secretary wishes to seek common ground; we are talking about three governments, of course. Does that mean that there is a new consensus of opinion that as long as the Chinese side undertakes that the Provisional Legislature would not interfere with the Legislative Council, then the Government would silently agree with the following: that the Provisional Legislature would come into place after 1997? Would the Government undertake to see that the pre-1997 Government would not interfere with the post-1997 Government?

You have said that the Provisional Legislature is not necessary and not desirable but still it might be set up and you can have nothing to do with that - or you can do nothing about it, rather.

CS: Mr President, I think the Government has made it abundantly clear what its position is on the Provisional Legislature. We have said and will continue to say that in our view it is neither necessary nor desirable to have a Provisional Legislature. We have a Legislature which has been returned through open and fair elections in the elections that were conducted in September of last year.

Clearly, in terms of continuity and in terms of giving confidence to the community of Hong Kong, it would be best for this Legislature to be able to continue to function for its full four year term, that is to continue after 1997. That has been our consistent position and it will be our position.

Mr Howard Young: Mr President, it appears that the bone of contention is still the Provisional Legislature. I would like to know whether the Chief Secretary has considered perhaps the best way out is for both sides to stop arguing on the legitimacy or otherwise of the whatever it is called Legislature of the future, but explore whether there are any practical ways to have some sort of working relationship, provided that the Provisional Legislature does not concern itself with any affairs before 1997, and perhaps even provided that it does not do anything within the territorial boundaries of Hong Kong, than if there is a practical need for civil servants to have some sort of assistance which might help a smooth transition? Has the Government explored such possibilities, or is it willing to?

CS: Mr President, without in any way accepting the proviso that the Honourable Howard Young has stipulated, I of course agree that notwithstanding that there are fundamental differences between the two sides on the Provisional Legislature, nevertheless we must not allow disagreement in this area to prevent us from exploring and maximising the scope for co-operation in other areas so that we can make the transition as smooth as possible. I believe that to be the wish of the community and to be the wish, also, of the civil servants.

Our position on the Provisional Legislature has been very clearly set out and we will continue to make our views known on the Provisional Legislature. But I do agree with Mr Young that it is important to seek to maximise areas for co-operation.

Mr Frederick Fung (in Chinese): Mr President, of the ten items put forward by the Preparatory Committee one is very sensitive, that is air-time on RTHK. This request in fact has caused much concern within the staff and rank of RTHK with regard to their editorial independence and production. The Chief Secretary in fact has spoken to the media that if it does not violate editorial independence, assistance might be given.

In the past it has been said that the Basic Law Consultative Committee has used air-time on RTHK. There seems to be a conflict here: you have to use RTHK air-time but it cannot affect editorial independence. When such a conflict appears on the horizon, can I ask whether the Government would protect the editorial independence as its first and foremost priority?

CS: Mr President, I do not see that there is necessarily an anomaly between on the one hand saying that the editorial independence of Radio Hong Kong will not in any way be compromised or undermined and on the other to say that within the three parameters for co-operation which I have set out, and consistent with our broadcasting policy and a well established regulatory framework, that we cannot consider positively the request from the Preparatory Committee for access to air-time, whether it is on television or through the radio.

What I have explained to Mr Lu is that before we reach a final decision, it would be necessary for us to have a clearer idea as to what types of assistance the Preparatory Committee is looking for, in particular the sort of information that they wish to put across, either on radio or on television. Once we have that clarification we will be in a better position to make a final decision.

The President: Mr Fung, are you claiming that your question has not been answered?

Mr Frederick Fung (in Chinese): Yes. The two principles spoken of by the CS and the Secretary for Constitutional Affairs might provide a conflict. If a conflict arises, would you protect the editorial independence of RTHK? All she has said is that she would need further information before a decision is made.

The President: ... that there is necessarily a conflict. And the situation you have just described is hypothetical.

Mrs Elizabeth Wong: Thank you Mr President. This time last week I wished the CS well in her visit to Beijing. Today I would like to register my appreciation of the effort that our Chief Secretary has, on behalf of Hong Kong, put in; particularly, she has put in her best foot forward in the diplomatic cha-cha-cha of a dialogue with China.

But I would like to ask a question, nevertheless. I would like to ask whether the CS considers that she is fighting a lost cause, particularly with reference to the Provisional Legislature, because of her response? She said it was neither necessary nor desirable; and she said that there was nothing she could do to help with the setting up. But did she or did she not say that the setting up of the Provisional Legislature is in fact in breach of the Sino-British Joint Declaration and the Basic Law and is therefore illegal. This was put to us quite categorically in the reply by Mr Robin Cook this morning.

CS: Mr President, I made it clear to Mr Lu, not just on this occasion but on previous occasions, that in the view of the British and Hong Kong Government there is no need for the setting up of a Provisional Legislature. There is, indeed, no mention of a Provisional Legislature in either the Joint Declaration or the Basic Law. In our view it is best for continuity and confidence for the existing Legislature to serve out its full four year term. That has been our position and it will remain our position.

Mr Albert Ho (in Chinese): Thank you Mr President. The Chief Secretary and Mr Lu Ping discussed the transition of the civil service as one of its items. Now this is an item of concern in the legal sector with respect to the interpretation of Article 93 of the Basic Law. I do not know, in fact, whether the Secretary has dealt with this issue with Mr Lu Ping and if not, in fact can you give us a clarification on the transition of legal personnel in Hong Kong?

CS: Mr President, we did not specifically discuss this issue but on the basis that I hope to have a continuing dialogue with Mr Lu, I would of course be very happy to take up this issue with him at an appropriate time.

Miss Margaret Ng: Thank you Mr President. Mr President, with respect to the Provisional Legislative Council, the Government had used in the past the word "unjustifiable" to describe such proposal. Is this word now being dropped as somewhat too strong and the weaker words of "unnecessary and undesirable" are used in substitution? Thank you Mr President.

CS: Mr President, I believe I have used various words in describing and reiterating our position on the Provisional Legislature. Certainly, the word "unjustifiable" has been used by me on more than one occasion.

Mr Lee Wing-tat (in Chinese): Mr President, the Chief Secretary, in her main response, indicated the Preparatory Committee is to set up a Provisional Legislature. My question is this: Do you think that in the Government there is a policy which is anti-Provisional Legislature but moving towards indirectly and silently helping with the setting up of the Provisional Legislature?

CS: The Selection Committee has clearly defined responsibilities in accordance with the Joint Declaration and Basic Law. We are committed to offering co-operation on those fronts within the three established parameters.

Mr Cheung Kar-foo (in Chinese): Thank you Mr President. My question is similar to that asked by Mr K K Fung but before I ask my question I must say I appreciate the Chief Secretary for being on her feet all the time answering our questions. Back to RTHK. I do not think the Government is taking such --

The President: Since you have touched on this point and the Chief Secretary is standing and that no two members ought to be standing at the same time, you might be raising a point of order but I purposely turn a blind-eye to the fact as I do not wish to see the Chief Secretary sitting down and then jumping up again so very often. Mr Cheng, you may continue.

Mr Cheung Kar-foo (in Chinese): I think to respect the Chief Secretary I should stand up and ask my question. Anyway, let us not waste time. Back to RTHK. I do not think the Government has taken the initiative with regard to the RTHK issue. When Mr K K Fung's question was answered, the feeling we got is that we have to wait until China clarifies its position and its request before the Government takes action. Can I ask, at this very moment, whether the British and Hong Kong Governments have a clear position that they should protect the editorial independence of RTHK? Can the Chief Secretary confirm this on behalf of the Governments so that RTHK, in the future, would not become a sub-branch of the China Government station?

CS: Mr President, I thought I made it clear in an answer to an earlier supplementary question that we do not intend in any way, and there is no question of us undermining the editorial independence of Radio Hong Kong. I said that on the basis that the editorial independence of Radio Hong Kong will not in any way be adversely affected, and within our established broadcasting policy and the clearly laid out regulatory framework, we would be prepared to consider to offer air-time. But before we do so, we need to have further details from the Preparatory Committee.

Ms Emily Lau (in Chinese): Mr President, the Chief Secretary told us earlier on, that the Chinese Government or the ten point request from the Preparatory Committee - and some people call that the Ten Commandments - in fact were given to the Hong Kong Government on April 1st. And yesterday, the Preparatory Committee's Secretariat published the ten points. My question is this: Why did you have to wait a whole month before the Hong Kong Government released the details?

Of course we have read articles from magazines but we do not know if they can be confirmed. We also know that the upper echelons of the Government are unaware - unaware - of these details, although it is within their ambit. Can I ask if the Chief Secretary has actually got the agreement from the Chinese Government to publish these details as soon as possible and to inform your colleagues what the details are? And more importantly, should there be further orders coming on the horizon, would the Government trust the people of Hong Kong, trust your colleagues, and inform us of these events as soon as possible?

CS: Mr President, the list is, of course, a list that was handed to the Hong Kong Government by the Hong Kong Secretariat of the Preparatory Committee, and it was agreed that whilst we were in the process of considering in a very preliminary way our response to these ten items of co-operation, that we should for the time being hold off publication of the list. This is not in any way an attempt to prevent members or the community from learning the details of this list of items for co-operation. And of course, as the Honourable Emily Lau pointed out, the Secretariat of the Preparatory Committee has now published the list.

Internally, the Constitutional Affairs Branch is of course responsible for considering our initial response to the list of requested co-operation and he has done so on the basis of established policies which are clear to all policy secretaries. Clearly, as our initial response develop on the basis of further clarification from the Preparatory Committee there may be a requirement to seek further and more in depth views from policy secretaries which we will of course do.

Mr Zachary Wong (in Chinese): Mr President, as far as I know the Preparatory Committee has already asked the Government to provide a lot of information and my question for the Chief Secretary is this: when you provided the Preparatory Committee with this information, is all the information open and would it include information that you cannot or you will not make known to the Legislative Council?

CS: Mr President, all the information that we have provided so far is open information that is readily available to members of the public. To the extent that additional information may be required by the Preparatory Committee and which we feel able to offer, we have already undertaken to keep members of this Council fully informed by regular briefings.

The President: Mr Wong, are you claiming that your question has not been answered?

Mr Zachary Wong (in Chinese): Yes, Mr President. The crux of the question is this, as the Chief Secretary said that should there be additional information required it will be considered, my question is: When you provide this type of information would you be providing some information that you will not be giving or you do not want to give to the Legislative Council, but you will give it to the Preparatory Committee?

CS: Mr President, we have already undertaken to be fully accountable to members of this Council in whatever information we supply to the Preparatory Committee.

Mr Paul Cheung: Will the Chief Secretary convey to this Council and to the Hong Kong community that in her view, based on her meetings in Beijing, that she found Director Lu and the other Chinese officials she met are all sincere and genuine in their desire to ensure that stability and prosperity in Hong Kong are maintained both pre and post 1997?

CS: Mr President, I gained the impression that both sides are very keen to intensify co-operation, both sides are keen to see a smooth transition, and both sides are keen to maintain confidence and stability and continuity within the civil service.

Mr Henry Tang: Mr President, the Chief Secretary, in regard to the Provisional Legislature, has used the words "unjustifiable", "unnecessary" and "undesirable" but she has never used the word "illegal". Is it the position of the Hong Kong Government that the Hong Kong Government does not consider the Provisional Legislature illegal because it is inconsistent with the Joint Declaration and the Basic Law?

CS: Mr President, the Governor has made the Hong Kong Government's position on this issue very clear in his last question and answer session in this Council. I have again reiterated the Government's position on the Provisional Legislature this afternoon and I really have nothing further to add to my remarks.

Mrs Selina Chow: Mr President, as Head of the civil service the Chief Secretary in fact was very much expected to bring messages of assurance back to the community and to the civil service as to the smooth transition for the civil service. I just wonder whether the Chief Secretary could tell this Council whether any specific messages could actually be passed on to the civil service to this effect, to ensure that their morale could be uplifted and that their confidence could be enhanced?

CS: Mr President, the specific assurances, although they are not of course new assurances, are these: first of all that the Chinese leaders wish to see maximum continuity and stability in the civil service. They wish to see all civil servants remaining in their posts and serving the SAR Government after 1997.

They have reconfirmed that they have no intention of establishing a second power centre in Hong Kong before 1997 and that the Preparatory Committee will only be involved in work that is necessary for the smooth functioning of the SARG after 1997.

Above all, they have made it clear that they will maintain political neutrality within the civil service and that all they ask of civil servants is that they remain loyal and dedicated to serving the people of Hong Kong both now and after 1997.

Mr Szeto Wah (in Chinese): Mr President, the Chief Secretary stated earlier on that we were only given the details of the 10 point - list one month after the receipt because it had undertaken a commitment to keep it secret. Aside from this, I wonder if there are any other issues that the Hong Kong Government has promised to keep secret?

CS: Mr President, I do not think there is anything particularly secretive in agreeing with the Chinese that until such time as we have formalised our position on the ten requested items of co-operation that we should, for the time being, hold off publication of the list. There are no other areas where we have made any secret deals and I reiterate again we have said that we remain fully accountable to this Council in our dealings with the Preparatory Committee.

Mr Leung Yiu-chung (in Chinese): Mr President, a question for the Chief Secretary. Why has the Hong Kong Government and the Chinese Government decided to keep the list secret, why is there an agreement on this?

CS: Mr President, can I make it clear again that there is no secret deal. We simply agreed to hold off publication until such time as both sides were ready to make the issue publicly known, and this the Secretariat of the Preparatory (Committee) has now done. It is, after all, their list and it is ultimately for them to decide when to publish the list.

Dr Tse Wing-ling (in Chinese): Mr President, a very brief question, a simple question. Is the Provisional Legislature legal? Can I have a yes/no answer please?

The President: Dr Tse, I think you are seeking the expression of a legal opinion which runs contrary to Standing Orders.

Ms Emily Lau (in Chinese): Mr President, can I ask the Chief Secretary whether she understands that the people of Hong Kong know what is required by the Chinese Government? We want to discuss it now but the way you are dealing with it is this: although you have not made a final decision but you have had preliminary discussions before you made any announcement. Is this not in breach of an open, a fair and accountable Government? You should in fact give us all the details before we make a collective decision. Or have I misunderstood you altogether?

CS: Mr President, in the areas in which I have indicated we have already co-operated with the Preparatory Committee and are prepared to continue to do so, I do not think that these are issues on which members of this Council would take issue.

As regards the other areas, we await clarification from the Preparatory Committee Hong Kong Office and when that clarification is available we will be very happy to discuss our final response with members of this Council.

The President: Mr Lee Wing-tat, do you have a point of order?

Mr Lee Wing-tat (in Chinese): Mr President, there was a question earlier on but you have made a ruling that Dr Tse's question seeks a legal opinion, but if I remember clearly, the question asked by Mr Henry Tang was similar, he asked the Chief Secretary why she did not use the word "illegal" to describe the Provisional Legislature and he was allowed the question. Can you explain why you have differed in your opinion and why the first question was not seeking a legal opinion but the second one was?

The President: This is not a point of order, you are seeking an explanation of my rulings.

Mr Albert Chan (in Chinese): Mr President, my question is about the Provisional Legislature, I am not asking for a legal opinion, I am simply asking for the Government's position. My question is this: On the setting up of the Provisional Legislature the Chief Secretary said earlier on that this was not mentioned in the Joint Declaration and the Basic Law. Because of this, would the Hong Kong Government think that the Provisional Legislature is in breach of agreements? This is not a legal opinion, I am simply asking for the Government's position.

The President: ... for helping Dr Tse to rephrase it.

CS: Mr President, I think I have made the Government's position on the Provisional Legislature abundantly clear. I really have nothing to add to my previous remarks.

Mr James Tien: Thank you Mr President. Chief Secretary, when you met with Mr Lu Ping and when you discussed the Provisional Legislature, what were your fundamental differences? Was it the existence of the Provisional Legislature or whether before July 1st 1997, whether the Preparatory Committee would start operating in Hong Kong?

CS: Mr President, I confirm that I think our fundamental disagreement is over the need for a Provisional Legislature. The Government's position on this is clear. As I have said on previous occasions, if the Chinese insist on proceeding with a Provisional Legislature then it is of course for the Chinese Government to explain why it is necessary, in what way it is good for confidence and for continuity in the systems and the policies and programmes which the community clearly are very concerned about.

Mr Tsang Kin-shing (in Chinese): Mr President, the Provisional Legislature - the Governor and the Chief Secretary in fact have not made their stands known on what they will do after 1997. As an accountable and responsible Government you have to be responsible. The Legislature was elected in 1995 and we should continue until 1999. I cannot see what the Government would do during the transition period. You have not given us the crux of the problem. Have you tried to fight to get us through until 1999?

CS: Mr President, can I reiterate again that we have impressed upon the Chinese we see no need and indeed can see a great deal of harm in having a Provisional Legislature. In our view the Chinese should allow the current Legislature to continue after 1997. That is clearly what the people of Hong Kong want and what the civil servants wish to see.

Mr Ronald Arculli: Thank you Mr President. The Chief Secretary said to us that she expressed the view to Director Lu that the principal officials designate should remain in post but would give every assistance to the Chief Executive Designate. I just wondered whether the Chief Secretary is actually expecting a response from the Chinese Government on this particular point and if so, when is it likely that you might get a reply?

CS: Mr President, what Mr Lu and I agreed was that on the question of modalities for co-operation with the Chief Executive Designate, both sides will continue discussions and I would expect that in the context of these discussions it will become clearer what is the best modality to go for.

The President: Although this particular exchange has lasted for less than one hour, I think Members and myself certainly appreciate the Chief Secretary's courtesy and stamina in giving her answers standing whilst the Governor gives his sitting-down.

End

Government Minute

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Following is the speech by the Chief Secretary, the Hon Anson Chan, in introducing the Government Minute in the Legislative Council today (Wednesday):

Mr President,

Laid on the table today is the Government Minute responding to Report No. 25 of the Public Accounts Committee. The Minute sets out the measures the Government has taken, or is planning to take, on the conclusions and recommendations contained in the Report.

Mr Eric Li, the Chairman of the Public Accounts Committee, spoke in this Council on 7 February 1996 when tabling the Report. He highlighted five areas of particular concern to Members of the Committee to which I would like to respond.

First, police indebtedness. As I have said on more than one occasion, as the Chief Secretary I regard it my first duty to ensure that Hong Kong has a public service which is honest and efficient and remains committed to serving the best interests of the community. I and my senior colleagues recognise that serious pecuniary embarrassment might affect the integrity of the officers concerned. We are aware of the need to contain the problem so that public confidence in the civil service is not adversely affected, particularly confidence in the men and women whose duty it is to maintain law and order. The Commissioner of Police, therefore, maintains a very strict policy on indebtedness of police officers. He requires that all police officers should be temperate and prudent in their financial affairs. As the Secretary for Security will outline in his response later today to the motion proposed by the Hon Ambrose Lau, the Police Force has developed a comprehensive strategy for preventing, identifying and dealing with the indebtedness of police officers.

The Commissioner monitors the situation closely by conducting regular six-monthly surveys on indebtedness among police officers. The Government Minute before you contains the findings of the latest survey which show a downward trend in the number of cases of known indebtedness from sources outside the Government. The Police Force management will continue to monitor the situation closely and take appropriate action to tackle the problem. The Commissioner will make regular reports of further surveys to this Council's Panel on Security.

Second, superannuation schemes of tertiary institutions. Members will wish to know that all UGC funded institutions have registered their schemes under the Occupational Retirement Schemes Ordinance. Admittedly, three of the schemes, namely those of the University of Hong Kong, the Polytechnic University and the Chinese University of Hong Kong, are currently registered under an "insolvent" status - these schemes have yet to reach the standards of solvency stipulated in the Ordinance. But the institutions concerned are taking positive measures to improve the longer term financial viability of their schemes. We are confident that these schemes should be able to achieve solvency before the legislative deadline, i.e. 15 October 1998.

Third, advance accounts for the care and maintenance of Vietnamese migrants. Following the meeting of the Public Accounts Committee in November 1995, the Office of the United Nations High Commissioner for Refugees has given us another repayment and has issued a letter reiterating its commitment to repaying Hong Kong the outstanding amount and stating that this commitment is not bound by any timeframe. We understand the latter expression to mean that 1997 is not a factor in the UNHCR commitment. We therefore remain of the view that the advances are recoverable. The Financial Secretary, in the light of these developments, has re-affirmed that the advance account arrangement should continue.

We, nevertheless, fully appreciate Members' concern about the significant amount of outstanding advances accumulated over the years. I wish to assure Members that we shall continue to liaise very closely with the High Commissioner with a view to securing full repayment as soon as possible.

On the definition of "recoverable advances" under Section 20 of the Public Finance Ordinance, having regard to a genuine need to cater for all possible circumstances where recoverable advances need to be made and the fact that so far, all advances other than for the care and maintenance of VMs, have been cleared in a timely fashion, we do not consider it necessary to fetter the Financial Secretary's authority under the Ordinance.

Fourth, Public Cargo Working Areas (PCWAs). Let me say at the outset that the Administration shares the PAC's view that the first-come-first-served berth allocation system no longer meets the needs of the trade. However, we find it hard to accept the PAC's remark that we lack knowledge of operation of the cargo handling trade. As the Director of Audit has pointed out, the Director of Marine has undertaken a number of management studies with a view to finding suitable measures to improve the management of the PCWAs. We have attempted various management modifications but unfortunately with only limited success. The PAC is right to demand that we should devise an open, fair and economically viable system that best meets the needs of the trade as early as possible. We believe we have now come up with the solutions and we will redouble our efforts to make them work.

As explained in the Government Minute, our consultants recommend that the most practical way to resolve the problems of PCWA management is to allocate PCWA berths through open and competitive bidding. Action is now in hand to implement the recommendations. The Economic Services Branch has formed a Working Group to oversee the management reform. Our plan is to replace, in phases, the current berth allocation system by a tendering arrangement. We are consulting the trade and aim to tender out the majority of the berthing spaces by the end of this year.

On the aspect of law and order in PCWAs, the Director of Marine has taken steps to enhance liaison between the PCWA managers, the local police and ICAC representatives. Economic Services Branch has also put in place a system calling for joint reports from the PCWA management in conjunction with the Police and the ICAC. Hopefully, this would remove the criminal and "triad" elements in PCWAs.

Finally, consultants. I must respectfully put it to Members that the observation of the PAC on the Government's "seemingly habitual dependency on external consultants" is unfounded. The use, selection and management of consultants by Government are subject to rigorous procedures. Our system ensures that consultants are used only when necessary and appropriate, and that both the desired results and value for money are obtained.

We do not give approval for the use of consultants unless there is a clear need for specialist professional expertise which the department concerned does not possess, or there is a significant shortfall in the required professional skills to undertake the task. No doubt Members will appreciate, if we were to undertake all our projects in-house, it would require an unacceptable expansion of the civil service. The use of consultants allows us to meet the uneven workload demands imposed on departments by time limited projects in a cost-effective manner.

We have clearly stipulated guidelines for the selection of consultants to ensure the best value for money for the Government. We have successfully operated a lump sum fee competitive system for some years to achieve an appropriate balance between technical competence and cost in the selection process.

Many of the staff employed on consultancies are prominent experts in their field. We have optimised the opportunities for technology transfer from these consultant teams to civil servants.

We also monitor closely the work of consultants. We provide high quality briefs to steer the consultants' work and have established clear and effective procedures to monitor all aspects of the progress and management of a consultancy. The Chairman has made reference to PAC Members' concerns that they often see cases where the relevant departments were ill prepared to select, brief and monitor the progress of consultants. I accept that there may be room for improvement in this respect, but we must maintain a proper perspective of the problem. Policy Secretaries and the Works Directors would be very happy to follow-up cases where Members feel improvements are called for.

Mr President, the Government is committed to working closely with the Audit Department and the Public Accounts Committee in our quest for the more efficient use of public funds. I am confident that the measures we have taken, or are planning to take, will go a long way towards this end.

End

Speech by SHW in motion debate on elderly policy

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Following is a speech by the Secretary for Health and Welfare, Mrs Katherine Fok, in the motion debate on elderly policy in the Legislative Council today (Wednesday):

Mr President,

This is a timely debate and I welcome the many constructive views made by Members today. Based on current levels of life expectancy, we can all expect to live to a ripe old age. We are all, therefore, understandably interested in ensuring that the policies are in place to provide a dignified and fulfilling life in our twilight years. We are happiest and most satisfied when we are at home surrounded by our family, our friends and a familiar environment. Our fundamental policy goal is to provide the opportunity for as many people as possible to grow old in such circumstances. We give the highest priority to implementing concrete plans to achieve this policy. Because people's outlook and expectations are constantly changing, we must also constantly keep our plans under review. I could not agree more, therefore, with the Hon Chan Yuen-han that our planning must be both pro-active and forward looking.

The most comprehensive review of our plans was undertaken in 1993 by a Working Group on Care for the Elderly. This Group reviewed existing policies on the full spectrum of services for the elderly. All 71 recommendations of the Working Group were accepted by Government and funds have been earmarked to implement them.

But our efforts to improve services for the elderly have not stopped there. As I said before, expectations and needs of the elderly are evolving and the Working Group recognised the need to carry out in-depth studies of the needs of the elderly for community support and residential care. We are about to commission an important consultancy study to assess whether the needs of the elderly are being adequately served by existing services and whether new services need to be introduced. The study will also recommend how public and private sector resources should be deployed most effectively to meet these needs. The outcome of this study will help us to fine-tune our services and set them on the right path to meet the needs of those of us who will be in our old age in the early years of the next century.

Talking about elderly at risk, as much as we would all wish to see our elderly age contentedly in their home environment, the cruel fact is that eventually health may deteriorate to the point where constant care is needed. Worse still, elderly people are all too often faced with too little or dwindling incomes to support themselves. The traditional role of children faithfully providing for their elderly parents has sadly broken down in many cases. So here we have a recipe for disaster. Elderly people with failing health, with inadequate financial resources and all too often living alone with no family support. These are some of the most vulnerable members of our community - what the Hon Leong Chi-hung called the 'elderly at risk'. It is for these that the Government has a special responsibility of providing care and support.

#### Meeting the Financial Needs of the Elderly

A well-established retirement protection scheme is the best way of providing financial security for one's old age. This is why we are working on introducing the Mandatory Provident Fund (MPF) Scheme. But meanwhile, we have in place a Social Security Allowance Scheme to provide financial assistance to meet the special needs of elderly arising from old age or disability. This Scheme comprises the Old Age Allowance (OAA) and the Disability Allowance (DA), both of which are not mean-tested. About 420,000 elderly people of 65 years of age or more are receiving the OAA, the total expenditure on which was about \$2.8 billion in 1995-96.

The CSSA or the Comprehensive Social Security Assistance Scheme which provides a safety net for elderly people in proven financial need. At present, there are about 94,000 elderly recipients, representing about 60% of all our CSSA recipients. Last year we spent about \$3 billion on this group of CSSA recipients. As with all other groups receiving CSSA, the payments for elderly are set at a level to meet their basic needs.

During the recent cold spell which a number of members alluded to, a lot of concern was expressed about the importance of providing elderly people, especially those living alone, with an efficient means of calling for help in case of emergency. Under the CSSA scheme, elderly persons who need a telephone are eligible to receive a special grant for this purpose. The grants cover both the installation cost and monthly charges. To ensure that elderly people at risk are aware of this assistance, the Director of Social Welfare has just started a new initiative whereby his staff will proactively visit elderly CSSA recipients living alone to inform them about this special grant and to assist them in applying for it.

In meeting our health needs of the elderly, many members have also commented on this very important aspect of care for the elderly. To care for the health of our elderly population, we have a comprehensive system of health and medical facilities. People aged 65 and above are by far the biggest user of public medical and health services vis-à-vis patients of other age groups. The total attendance of patients in the General Outpatient Clinics under the Department of Health totals over 5 million in 1995 and 34% of these are patients aged 65 and above. The total bed-days for patients in public hospitals were 6.9 million in 1995 and 39% of those were for elderly patients. They also constitute an estimated 32% of the total number of patients attending the Medical, Surgery and Orthopaedic outpatient clinics. The Hon Fred Lee and others commented on dental care need for the elderly. As for dental care, the financially disadvantaged elderly who are eligible for CSSA, can seek treatment at non-profit making dental clinics designated by the Social Welfare Department and their fees are reimbursed through the CSSA scheme.

In order to improve our medical and health facilities for the elderly, a range of new services has been developed exclusively to care for the health of elderly people in the past few years. These include the setting up of seven elderly health centres by 1997 to provide and promote preventive health care for elderly people aged 65 and above. So far, four centres have been brought into operation and another three will be opened this year. These new centres will be set up within general outpatient clinics to provide a more integrated service to meet needs of elderly patients. In addition, the Hospital Authority has set up seven community geriatric and one psychogeriatric assessment teams to provide outreaching medical services to elderly people residing in residential care institutions. These teams undertake geriatric assessment to ensure proper placement of elderly patients who need residential care. They also provide specialist support in the form of medical/nursing care and rehabilitation service for elderly persons in care-and-attention homes. One additional community geriatric team and three psychogeriatric teams will be set up this year. These geriatric assessment clinics will also be set up in the various hospital clusters to provide outpatient medical services to the elderly in our community.

Clinics under the Department of Health and public hospitals are well-g geared to deal with crisis situations, whether this occurs in the elderly population or in the general community. Again arising from the recent cold spell, consideration is being given to enhancing the public health programmes to promote public awareness for the sort of care needed for the elderly during extreme weather conditions. The Department of Health is considering the best way to step up its health education and information materials to elderly persons living in the community through social centres and public housing estates. The Department has also launched a Health Ambassador Programme for the Elderly, the main objective of which is to disseminate health messages amongst the elderly community. I agree with the Hon Michael Ho's suggestion that we need to devise more innovative schemes to promote health education for elderly persons.

For those elderly whose health condition does not allow them to remain at home, a full range of residential care services are provided to meet their varying needs. They range from self-care hostels for those who are still capable of self-care but require certain support in their daily living; to care-and-attention homes which provide personal care and limited nursing care to elderly persons; and to infirmaries where intensive medical and nursing care are given. As at 31 March 1996, there are 19 665 subvented residential care places for the elderly. This represents a 30% increase in such places over the last three years.

In his 1993 Policy Address, the Governor announced the introduction of a new nursing home service for the elderly. It provides medical and nursing care as well as residential care to those elderly who have lost personal care ability and whose medical conditions, while stabilised, still require regular medical attention. There are six nursing homes under planning with a total provision of 1 400 beds. Four of them will be completed in 1997 and two more will be completed by 1998.

On temporary accommodation and emergency placements, we provide to elderly people urgently in need of accommodation while awaiting other long-term placements. Such facilities are either in places of subvented residential care homes or in emergency shelters run by Government or non-governmental organisations. In addition, places are reserved in temporary shelters and hostels for single persons to meet the special needs of elderly people at risk.

Despite the continuous increase in the provision of residential services, the waiting time for residential places still remains an issue of great concern. Strenuous efforts are being made to shorten the waiting time. These include the following :

- \* First of all, increased provision of subvented residential places, particularly care-and-attention places where the demand is most acute. An additional 1 150 places will be provided in the coming two years. The consultancy study on elderly needs which will be commissioned shortly will examine the current planning ratios for residential care places to ensure that they accurately reflect the actual needs of the elderly;
- \* Secondly, more places will be bought from private residential homes through the Bought Place Scheme. Funds are available for the purpose to purchase additional 300 places;
- \* Thirdly, efforts are being stepped up to encourage private and voluntary organisations to operate self-financing, non-profit making residential homes. These homes provide an alternative for those who are ready to pay for better quality service, thereby releasing subvented places to those genuinely in need of them. At present, there are 2 105 self-financing places in residential homes. With the setting up of the Elderly Services Development Fund following the recommendation of the Working Group on Care for the Elderly, we hope more organisations will come forward to apply for financial assistance from the Fund for operating more self-financing residential care services; and
- \* Finally, the waiting list system for residential homes is to be streamlined by introducing a computerised, integrated system for all applicants thereby making the system more fair and effective.

Many members commenting on the social support for the elderly, various forms of services are presently provided to reach out to elderly people at risk. Apart from the two subvented outreaching teams, staff of home-help teams are in regular contact with elderly persons who receive such services. Through these home visits, elderly persons with special needs are identified and referred by home helpers to professional social workers for assistance and other welfare organisations. Professional social workers from our family services centres and medical social services of both Social Welfare Department and non-governmental organisations also reach out to elderly people in need. To encourage neighbourhood and volunteer support in the provision of services to vulnerable elderly groups, the experimental Older Volunteers Programme and the Volunteer Workers Programme have been launched in ten multi-social service centres for the elderly. They aim to reach out to elderly persons at risk and to help them make use of services available in the community.

To strengthen the support network, a telephone service has also been provided in these multi-social services centres as an integral part of the programme to answer enquiries from elderly people and to provide peer support as well as to refer the elderly persons to appropriate welfare agencies where needed. In addition, mutual help groups and support networks are organised by service units of the Social Welfare Department and non-governmental organisations in their community support projects and concern visit programme to elderly persons living alone.

As a new initiative, the Social Welfare Department are taking the lead to co-ordinate with other government departments, non-governmental organisations and local groups in each district to mobilise community and volunteer support to reach out to vulnerable elderly persons. A list of elderly persons at risk will be compiled and volunteers will be identified to conduct regular visits to these elderly persons. The programme will be conducted under the planning and supervision of professional staff in the district offices of the Social Welfare Department and in multi-service centres. A sum of \$17 million has been earmarked to conduct this project over the coming two years.

The Hon Leung Yiu-chung has proposed the setting up of a Central Committee on the Elderly. My response to this is that we already have a comprehensive consultative machinery in place to advise Government on all aspects concerning the elderly: the Social Welfare Advisory Committee advises Government on welfare policies including those that concern the elderly; the Health and Medical Development Advisory Committee advises on health and medical policies while the Housing Authority takes care of public housing policies concerning the elderly. The Hospital Authority is responsible for the management of all public hospitals. It is in these four main areas that the vast majority of services for the elderly are provided. The Elderly Services Division of my Branch which co-ordinates policy matters concerning health, medical and welfare of the elderly will seek advice from these bodies when the need arises. In addition, the Council's own Panel on Welfare Services monitors and advises Government on matters relating to elderly services. An important on-going dialogue is also maintained with the Hong Kong Council of Social Service and non-governmental organisations involved in the provision of elderly services. The existing consultative channels are therefore more than adequate to monitor the work of Government on all aspects of elderly services.

Ensuring those elderly people in need are properly provided for is, without a doubt, one of my heaviest and most challenging duties. But may I remind Hon Members that it is not solely the Government which has a heavy responsibility in this regard. In our society, it has traditionally been a key role of the family to ensure that elderly persons are cared for with the respect and dignity they deserve. I appeal to all members of our community not to neglect this role. Through the combination of these traditional values and the comprehensive services and financial support we provide for the elderly, I am confident we shall succeed in meeting our responsibilities towards them.

End

Gas Safety (Amendment) Bill 1996

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Following is a speech by the Secretary for Economic Services, Mr Gordon Siu, in moving the second reading of the Gas Safety (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Gas Safety (Amendment) Bill 1996 be read a second time.

The Gas Safety Ordinance enables the Gas Authority (the Director of Electrical and Mechanical Services) to enter and inspect fuel gas installations, such as gas works, high pressure gas pipes and gas pressure-regulating and storage facilities, and he does so annually. If the inspector finds any faults during an inspection, an improvement notice can be issued directing that they be remedied within a certain period.

The Bill proposes that gas installation owners should have a statutory obligation to ensure that their installations are maintained and operated safely and that they are inspected periodically by a competent person. This will ensure that the owner does not wait until the Gas Authority's inspector points out faults before performing maintenance work.

The Gas Authority will specify how often owners should arrange for a competent person to inspect different types of installations, examine the inspection findings and issue improvement notices when necessary.

The Bill will not only improve the safety of gas installations but also give the Gas Authority stronger powers to deal with any installation deemed to be unsafe. The Bill will enable the Gas Authority to effect remedial work himself if necessary or decommission the installation until it is made safe. The overall safety level of gas installations is good and decommissioning of an installation by the Gas Authority would only happen in unusual or extreme cases. It will be an offence to operate an installation that has been decommissioned by the Gas Authority. Expenses incurred by the Gas Authority in doing remedial work on an installation or decommissioning it will be recoverable from the person concerned as a civil debt due to the Government.

The proposals in the Bill will apply equally to fuel gas installations owned by registered gas companies, the Government and numerous institutional, commercial and industrial private sector establishments such as schools, power companies, private housing developments, restaurants and factories.

The Bill also amends the Gas Safety (Gas Supply) Regulations to enable the Gas Authority to prohibit disposable liquefied petroleum gas containers which he considers to be prejudicial to public safety.

Experience has shown that accidents with disposable LPG containers which have no valve to automatically close off the gas when the container is disconnected from an appliance often result in the user sustaining burns. These containers are of the type used with camping stoves. As the market will be adequately supplied with camping gas containers equipped with a closing off valve, the Gas Authority proposes, in due course, to prohibit the supply of those without a valve, in the interests of public safety.

The Bill also enables the transfer of responsibility for the examination of gasholders from the Labour Department to the Electrical and Mechanical Services Department, so that all responsibilities relating to safety of gasholders will be consolidated under one authority.

Mr President, I commend the Bill to the Council.

End

#### Inland Revenue (Amendment) Bill

\* \* \* \* \*

Following is a speech by the acting Secretary for the Treasury, Mr Alan Lai, in moving the second reading of the Inland Revenue (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Inland Revenue (Amendment) Bill 1996 be read the second time.

This is the first of ten Bills which I will introduce this afternoon to give effect to the revenue proposals in this year's Budget.

The Bill now before Members seeks to increase salaries tax allowances as announced in the Budget, to introduce a new allowance for maintaining a dependent brother or sister, to provide a deduction for taxpayers to claim fees for attending employment-related training courses at qualifying institutions, and to introduce a specific allowance for hotels refurbishment expenditure. Let me now briefly explain the concessions.

First, on increasing various salaries tax allowances. Specifically, the basic and married person's allowances will be increased by 13.9 per cent. The first and second child allowance and the allowance for the third to ninth child will be increased by 11.4 per cent and 13.6 per cent to \$24,500 and \$12,500 respectively. The basic and additional allowances for parents and grandparents will be increased by 11.4 per cent and 16.7 per cent to \$24,500 and \$7,000 respectively while those for single parent and disabled dependant will be increased by 12.5 per cent and 36.4 per cent to \$45,000 and \$15,000 respectively.

Secondly, on introducing a new allowance of \$24,500 which can be claimed by a taxpayer if he or she maintains an unmarried brother or sister who, in any time in the year of assessment, was -

- (a) under the age of 18;
- (b) of or over the age of 18 but under 25 and receiving full time education;  
or
- (c) of or over the age of 18 and was, by reason of physical or mental disability, incapacitated for work.

Moreover, the disabled dependant allowance of \$15,000 will also be extended to include a dependent brother or sister who is disabled.

Thirdly, on introducing a new deduction up to a maximum of \$12,000 a year to allow taxpayers to claim fees for employment-related training courses attended at qualifying institutions. This will help to upgrade the skill of the workforce. The deduction will apply to a course of education undertaken to gain or maintain qualifications for use in any employment that is provided by a university, university college, technical college or other qualifying place of education, or a training or development course provided by a trade, professional or business association for its members. Courses provided by overseas institutions of the above nature including long distance courses will also be acceptable. The Commissioner of Inland Revenue will publish an information pamphlet to explain the details to taxpayers.

Finally, the Bill seeks to introduce a specific profits tax allowance to enable hotels to amortise refurbishment expenditure over a five-year period using an annual 20 per cent write-off. This recognises the fact that refurbishments have only a limited life in the case of hotels which have to be renovated from time to time to maintain quality and standards.

Mr President, with these remarks, I commend the Bill to Members.

End

Inland Revenue (Amendment) (No 2) Bill 1996

\* \* \* \* \*

Following is a speech by the acting Secretary for the Treasury, Mr Alan Lai, in moving the second reading of the Inland Revenue (Amendment) (No 2) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Inland Revenue (Amendment) (No. 2) Bill 1996 be read the second time.

The Bill seeks to apply a concessionary tax rate of 50 per cent of the normal profits tax rate to trading profits and interest income derived from certain debt instruments issued in Hong Kong. To qualify for the tax benefit, the debt instrument has to satisfy the following criteria -

First, it has to be lodged with and cleared by the Central Moneymarket Unit operated by the Hong Kong Monetary Authority (HKMA);

Secondly, it has a rating acceptable to the HKMA from a credit rating agency recognised by the HKMA;

Thirdly, it has an original maturity of not less than five years;

Fourthly, it has a minimum denomination of \$500,000; and

Lastly, it is issued to the public of Hong Kong.

The concession will help to attract overseas issuers to Hong Kong, enlarge our debt market and enhance our competitiveness vis-à-vis other financial centres in the region.

The Bill also seeks to empower the Financial Secretary to exempt by Order in the Gazette an issuer from the credit rating or the \$500,000 minimum denomination requirement. The intention is to provide exemption to statutory bodies owned by the Government. We have no doubt about the credit standing of these bodies and there is no need to require an explicit rating for their debt issues. We have also encouraged these bodies to issue lower denomination paper so as to improve small investors' access to high quality Hong Kong dollar debt securities. It would therefore be appropriate to exempt these bodies from the minimum denomination requirement. Any Order made by the Financial Secretary to provide such an exemption is a piece of subsidiary legislation and will be subject to scrutiny by this Council in the normal manner.

Mr President, with these remarks, I commend the Bill to Members.

End

#### Inland Revenue (Amendment) (No 3) Bill

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Following is a speech by the acting Secretary for the Treasury, Mr Alan Lai, in moving the second reading of the Inland Revenue (Amendment) (No 3) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Inland Revenue (Amendment) (No 3) Bill be read the second time.

The Bill seeks to include specific exclusions from profits tax liability for certain income derived by non-residents from Hong Kong share trading transactions and bona fide offshore funds managed in Hong Kong. It also seeks to exclude stock brokers and the managers of offshore funds from potential profits tax liability in respect of share trading and fund investment profits derived by non-residents from whom they act as agents. The amendments in fact reflect the existing practices and seek to provide greater certainty to the relevant areas in the legislation. They will help to enhance Hong Kong's status as an international financial centre.

The opportunity is also taken in this exercise to amend the legislation in order to provide equal tax treatment to Hong Kong and non-Hong Kong stocks in stock borrowing and lending transactions. Under existing legislation, profits tax concessions proposed to promote such transactions apply only to Hong Kong stocks. The Bill seeks to extend the concession to non-Hong Kong stocks transactions as specified by the Commissioner of Inland Revenue.

Mr President, with these remarks, I commend the Bill to Members.

End

#### Business Registration (Amendment) Bill 1996

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Following is a speech by the acting Secretary for the Treasury, Mr Alan Lai, in moving the second reading of the Business Registration (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Business Registration (Amendment) Bill 1996 be read the second time.

The Bill seeks to raise the maximum average monthly turnover levels below which businesses are exempt from payment of business registration fees. For the sale of goods, the level is raised by 100 per cent from \$15,000 to \$30,000. For those providing a service, the level is raised by 150 per cent from \$4,000 to \$10,000.

The Bill also seeks to transfer minor regulation making power under the Business Registration Ordinance from the Governor in Council to the Secretary for the Treasury. This Council would still be able to scrutinise any regulation made under the Ordinance, in the usual way.

Mr President, with these remarks, I commend the Bill to Members.

End

Estate Duty (Amendment) Bill

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Following is a speech by the acting Secretary for the Treasury, Mr Alan Lai, in moving the second reading of the Estate Duty (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Estate Duty (Amendment) Bill 1996 be read the second time.

The Bill before Members seeks to adjust the schedule of asset value for the purpose of assessing estate duty. Specifically it increases, from \$6 million to \$6.5 million, the level below which no duty is payable and widens the duty band widths of the two marginal duty bands from \$1.0 million to \$1.5 million. Therefore estate duty will be payable at 6 per cent on estates of value between \$6.5 million and \$8.0 million; 12 per cent in respect of value between \$8.0 million and \$9.5 million; and 18 per cent in respect of value over \$9.5 million.

The opportunity is also taken to transfer minor statutory powers of the Governor in Council under the Estate Duty Ordinance with no policy implications to the Secretary for the Treasury in order to lessen the burden on the Governor in Council and to improve the presentation of the Ordinance.

Mr President, with these remarks, I commend the Bill to Members.

End

Stamp Duty (Amendment) Bill

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Following is a speech by the acting Secretary for the Treasury, Mr Alan Lai, in moving the second reading of the Stamp Duty (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Stamp Duty (Amendment) Bill 1996 be read the second time.

The Bill seeks to adjust the rates of stamp duty to bring relief to home buyers at the lower to middle end of the market, including those who purchase Home Ownership flats or Sandwich Class Housing Scheme properties. Specifically, it increases the limit below which only the nominal fee of \$100 is charged from \$500,000 to \$750,000. The rate of 0.75 per cent will apply to properties with a value of \$750,000 to \$1.5 million; the rate of 1.5 per cent will apply to properties with a value of \$1.5 million to \$2.5 million; the rate of 2 per cent will apply to properties with a value of \$2.5 million to \$3.5 million; and the threshold at which the maximum rate of 2.75 per cent begins to apply will be raised from \$3.0 million to \$3.5 million.

Mr President, with these remarks, I commend the Bill to Members.

End

#### Motor Vehicle (First Registration Tax) (Amendment) Bill 1996

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Following is a speech by the acting Secretary for the Treasury, Mr Alan Lai, in moving the second reading of the Motor Vehicle (First Registration Tax) (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Motor Vehicle (First Registration Tax) (Amendment) Bill 1996 be read the second time.

The Bill seeks to enable the Commissioner for Transport to set by regulation the maximum value for tax exempted items, i.e. exempted accessories and distributor's warranty, in respect of different levels of taxable value of vehicles so that the value of these items in excess of the maximum value would become taxable. This will tackle the problem of over-declaring the value of the tax exempted items as a means to reduce the taxable value of the vehicle and therefore the first registration tax payable. We will consult the vehicle trade on the appropriate level of the maximum value of the various tax exempted items before we introduce the regulation, which will be subject to the scrutiny of this Council in the usual manner.

The Bill also enables us to impose conditions on the granting of first registration tax remission and to provide sanctions against abuse to obtain the remission. This is necessary for the implementation of the proposed scrapping incentive scheme for replacement of old vehicles, as announced in the Budget. Under the scheme, which is being introduced in order to improve air quality, if the owner of a private vehicle of ten years old or more gives up the old vehicle and replaces it with a new one, he would be eligible for a reduction in first registration tax of 20 per cent of the tax payable or \$30,000, whichever is the lower amount. The conditions we intend to impose to safeguard against abuse are -

- (a) the old vehicle must be scrapped and de-registered;
- (b) the old vehicle must have been continuously licensed for the 24 months immediately before scrapping;
- (c) the ownership of the vehicle must have remained unchanged for the 24 months immediately before scrapping;
- (d) the right to the concession can only be retained for six months after the scrapping of the old vehicle;
- (e) the replacement vehicle has to be petrol-engined; and
- (f) the transfer of the replacement vehicle purchased within one year after acquisition will be subject to the repayment of the first registration tax remission provided.

Any person who made a false declaration in order to obtain the remission commits an offence and is liable on summary conviction to a fine of \$500,000 or imprisonment of 12 months.

The opportunity is also taken in this exercise to rectify minor irregularities in the legislation and to amend provisions related to "disabled person" to reflect accurately the policy intention that first registration tax remission would only be granted to a disabled person who is fit to drive.

Mr President, with these remarks, I commend the Bill to Members.

End

Air Passenger Departure Tax (Amendment) Bill

\* \* \* \* \*

Following is a speech by the acting Secretary for the Treasury, Mr Alan Lai, in moving the second reading of the Air Passenger Departure Tax (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Air Passenger Departure Tax (Amendment) Bill 1996 be read the second time.

The Bill seeks to increase the Air Passenger Departure Tax from \$50 to \$100, which was the level when the tax was first introduced in 1983. The level of \$50 is well below the average for the region and the increase will bring the tax more in line with the level charged in other places. Passengers aged below the year of twelve are still not required to pay the tax.

Mr President, with these remarks, I commend the Bill to Members.

End

Betting Duty (Amendment) Bill

\* \* \* \* \*

Following is a speech by the acting Secretary for the Treasury, Mr Alan Lai, in moving the second reading of the Betting Duty (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Betting Duty (Amendment) Bill 1996 be read the second time.

The Bill seeks to increase betting duty by half a percentage point. The rate for a standard bet will be increased from 11.5 per cent to 12 per cent and for exotic bets from 17.5 per cent to 18 per cent. The increase will apply with effect from the next racing season, 1 September 1996. The Royal Hong Kong Jockey Club will absorb the cost of the increase by a corresponding reduction in its betting commission. The prize money pool will not be reduced.

Mr President, with these remarks, I commend the Bill to Members.

End

Dutiable Commodities (Amendment) Bill

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Following is a speech by the acting Secretary for the Treasury, Mr Alan Lai, in moving the second reading of the Dutiable Commodities (Amendment) (No. 2) Bill 1996 in the Legislative Council today (Wednesday):

Mr Deputy President,

I move that the Dutiable Commodities (Amendment) (No. 2) Bill be read the second time.

The Bill seeks to increase the specific duty rates on tobacco and fuel by 9 per cent broadly in line with inflation in 1995. This is consistent with our overall budgetary strategy whereby we aim to maintain the yield in real terms from the various sources of revenue to ensure financial stability. In the case of tobacco duty, we also believe that there is a need to increase the duty rates in order to maintain the deterrent effect of the duty on smoking. The impact of the proposed duty increases on inflation is minimal.

We have recently strengthened the resources of the Customs and Excise Department to tackle the problems of cigarette smuggling and illicit activities in the use of diesel oil.

Mr President, with these remarks, I commend the Bill to Members.

End

Legal Aid Services Council (No 2) Bill

\* \* \* \* \*

Following is a speech by the Chief Secretary, the Hon Mrs Anson Chan in resuming the second reading debate of the Legal Aid Services Council (No 2) Bill in the Legislative Council today (Wednesday):

Mr President,

On October 18, 1995, the Legal Aid Services Council (No 2) Bill was introduced into this Council. This Bill provides for the establishment of an independent Legal Aid Services Council to oversee the publicly-funded legal services operated by the Legal Aid Department and the Duty Lawyer Service. The objective of the Bill is to provide greater and more direct public participation in legal aid administration and policy formulation and to enhance the independence of legal aid administration.

I would like first to thank Members of the Bills Committee, especially its Chairman, the Honourable Mrs Miriam Lau, for their hard work and thorough examination of this controversial Bill. We have responded positively to most of the ideas put forward by Members of the Bills Committee and these are reflected in the Committee Stage Amendments which I will move later.

Before I proceed any further, Mr President, I should like to acknowledge that I appreciate that for some members, this Bill does not go any far enough. And in the views of members, nothing short of a totally independent legal aid services will be acceptable. Let me just recapitulate briefly why we do not agree with setting up an independent legal aid authority now. The first reason is that we are frankly not convinced that this is the best way forward. The second reason is that it will take a considerable period of time to do this. It will be necessary to dis-establish the Legal Aid Department and draw up new terms and conditions of services for the new authority. From experience, this could involve protracted consultation with the staff of the department. We have now indicated clear support for the proposal. Therefore, we have proposed proceed in two stages: first by establishing the Legal Aid Services Council and secondly by asking the Legal Aid Services Council to examine and advise on the proposal for an independent authority.

Mr President, I would like to outline briefly our proposed changes to the Bill and to set out our views on some of the concerns raised by the Bills Committee.

First, in my speech on 18 October 1995 to move the Second Reading of this Bill, I said that once the Legal Aid Services Council had been established, we would ask the Council to examine the feasibility and desirability of establishing an independent legal aid authority. Some Members were of the view that, for the avoidance of doubt, the Bill should provide explicitly that the Council's advice would be sought on this proposal. To allay Members' concern, I shall move a Committee Stage Amendment to include a sub-clause to this effect in Clause 4 of the Bill.

Secondly, some Members of the Bills Committee suggested that the Duty Lawyer Service should not be put under the supervision of the Legal Aid Services Council since the Service is already managed by an independent governing body, the Council of the Duty Lawyer Service. They supported the legal profession's view that the Duty Lawyer Service should be allowed to maintain its autonomous status. We are prepared to agree that the Duty Lawyer Service should be excluded from the supervision of the Legal Aid Services Council. At the Committee Stage, I shall move amendments to clauses 3, 4, 5, 9 and 10 of the Bill to give effect to this. However, we believe that it is important that the Council should be able to advise the Government on the provision of all publicly-funded legal aid services, including those provided by the Legal Aid Department and the Duty Lawyer Service. This is preserved in the new Clause 4(5) that I shall propose.

The Chairman of the Bills Committee, Mrs Lau, will propose Committee Stage Amendments to clauses 2 and 4 to delete all references to the Duty Lawyer Service. As I have just said, the Administration believes that it is important that the Council should be able to offer advice on the whole range of publicly-funded legal aid services and on the co-ordination between the Legal Aid Department and the Duty Lawyer Service. We therefore cannot support Mrs Lau's proposed amendments.

Thirdly, some Members proposed that Clause 4 of the Bill, which sets out the functions of the Council, should be amended to refine the relationship between the Council and the Legal Aid Department to enhance the supervisory role of the Council. The amendment to Clause 4 that I shall move at the Committee Stage will allow the Council to look into the day-to-day operation of the Department, with the exception of staff matters and the handling of individual legal aid cases. A provision will also be made to require the Department to provide information as reasonably requested by the Council.

Fourthly, some Members proposed deleting Clause 14 of the Bill, which provides for the prohibition of unauthorised disclosure of information. They considered that the criminalization of disclosure of information was unnecessary. Clause 14 is modelled on a similar provision in UK legislation and its purpose is to protect applicants for legal aid and aided persons from unauthorised disclosure of information. However, we appreciate Members' concern, and I will move an amendment to restrict the scope of Clause 14 and to provide that a prosecution for an offence under this clause will not be brought without the written consent of the Attorney General. But we do not agree that Clause 14 should be deleted, as Mrs Lau will propose at the Committee Stage. The privacy of applicants for legal aid and aided persons needs to be adequately protected.

Some Members also suggested that the Administration should appoint as lay members of the Council a Member of this Council, persons from human rights organisations, social services and welfare organisations and the academic community. I can assure Members that we will give careful consideration to appointing persons from these groups as lay members when the Council is established.

Mr President, with these remarks, and subject to the Committee Stage Amendments proposed by the Administration, I commend the Legal Aid Services Council (No. 2) Bill to Honourable Members.

End

#### Inland Revenue (Amendment) (No 3) Bill 1995

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Following is the speech by the acting Secretary for the Treasury, Mr Alan Lai, at the resumption of second reading debate on the Inland Revenue (Amendment) (No 3) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

Firstly, I would like to thank the several members for their speeches, Dr the Honourable Huang Chen-ya and the Bills Committee for their thorough and detailed discussions with the Administration on the Bill. I am very grateful for the support the Bills Committee has given to the Bill. The main purpose of the Bill is to enable us to tax the income of Hong Kong airlines which is earned from air traffic involving an agreement country. This Bill will allow us to bring into force double taxation relief articles in Air Services Agreements. Under the Agreements, we will have the right to tax the income from international traffic of Hong Kong airlines derived from an agreement country if such income has been granted full tax relief by that country. At the same time, we will give up the right to tax the income of airlines of the agreement country derived from Hong Kong if such income is subject to tax in that country.

In the course of examining the Bill, Members of the Bills Committee expressed concern over two issues, namely whether the amendments would undermine the territorial source basis of our taxation system, and whether there would be an obligation to disclose tax-related information to overseas authorities. Let me make clear the Administration's stand on these two issues.

First, the objective of the amendments is to cater for the unique situation in respect of international airline operations. The initiative for the present legislative amendments came from the local airline industry. Due to the international nature of their operations, airline operators are more susceptible to double taxation than other taxpayers. Our international aviation partners have also appealed to us to enter into negotiation on double taxation relief. In fact, to seek taxation of airlines by the country of residence is the international practice. I can therefore assure Members that the application of the amendments is restricted to the particular situation of international airline operations. They will not be regarded as creating a precedent for the world-wide taxation of income on other types of Hong Kong business.

Secondly, regarding the question of exchange of tax-related information, the Administration has no intention of including an exchange of tax information article in double taxation relief arrangements for airline income in the negotiation of such an arrangement. In the standard double taxation relief article for airline income, there is no provision for exchange of tax information. We have not to date negotiated any such provision and will not do so in future. Moreover, the procedures for bringing a double taxation relief arrangement into effect carry their own safeguard. Under Section 49(1) of the Inland Revenue Ordinance, each and every double taxation relief arrangement has to be put into effect by an Order to be made by the Governor in Council. Such Orders are subsidiary legislation and therefore subject to the scrutiny of this Council in the usual way. Members can therefore be assured that no exchange of tax information provision can be included in a double taxation relief arrangement without this Council's knowledge or agreement.

At Committee Stage I will move a few amendments to the Bill which have been agreed by the Bills Committee. I shall also explain the reasons for the amendments at that point.

Thank you, Mr President.

End

Govt to fully co-operate with Chief Executive (Designate)

\* \* \* \* \*

Following is a question by the Hon Lee Wing-tat and a reply by the Secretary for the Civil Service, Mr W K Lam, in the Legislative Council today (Wednesday):

Question:

It has been reported that some members of the Preparatory Committee have suggested that incumbent policy secretaries of the Hong Kong Government should leave the Hong Kong civil service temporarily upon being appointed principal officials-designate of the Hong Kong Special Administrative Region Government (HKSARG), in order that they may take up such posts before July 1, 1997. In this regard, will the Government inform this Council of the serious impact the implementation of this suggestion will have on the operation of the Government, and whether it will divide the civil service and cause contradictions among civil servants?

Reply:

Mr President,

The Government has made clear that it will fully co-operate with the Chief Executive (Designate) within practical, efficient and common sense arrangements which, based on the following three principles:

- are consistent with the provisions of the Joint Declaration and Basic Law;
- do not undermine the authority and credibility of the Hong Kong Government in its responsibility for administration of the territory until midnight June 30, 1997; and
- do nothing adversely to affect the morale and confidence of the civil service.

Regarding the modalities of co-operation, as the Chief Secretary has just said, is a matter still awaiting further discussions. I believe that Honourable Members would not expect me to speculate on this, or to respond to unverified reports in the press. I would only stress that the continuity of the civil service is self-evidently crucial to a smooth and successful transition. Indeed, it is fully guaranteed by the Joint Declaration and the Basic Law. At present, policy secretaries all have very full schedules, and if they have to leave their posts for a long period, it would certainly lead to serious consequences; including the maintenance of effective administration of Hong Kong.

In this connection, the Foreign Secretary and the Vice Premier Qian Qichen issued a public statement after their recent meeting at The Hague. The two sides agreed that continuity of the civil service was vital for a successful transition, reaffirmed the commitment to a politically impartial civil service, and agreed that civil servants should remain loyal and dedicated to serving Hong Kong and the Hong Kong Government before July 1, 1997 and the Special Administrative Region Government thereafter. Vice Premier Qian also said that China hoped that all civil servants would stay on to serve the Special Administrative Region Government. He also confirmed that until July 1, 1997 the Governor, Privy Council and Legislative Council alone would exercise power in Hong Kong. Following his discussions with the Chief Secretary, Director Lu Ping also reiterated that the Chinese government would not have a second power centre in Hong Kong and that there would be no interference in Hong Kong Government's effective administration before June 30, 1997.

The Hong Kong Government welcomes these statements.

End

Govt's focus on external commercial relations

\* \* \* \* \*

Following is a question by the Hon Cheng Ming-fun and a reply by the Secretary for Trade and Industry, Miss Denise Yue, in the Legislative Council today (Wednesday):

Question:

It is learnt that China and Macau signed an agreement on trade and co-operation with the European Union (EU) in 1985 and 1992 respectively and that the Republic of Korea is now negotiating a similar agreement with the EU. In this connection, will the Government inform this Council of the reasons for the territory not having entered into such an agreement with the EU?

Reply:

Mr President,

In managing Hong Kong's external commercial relations, the Government's focus has been put on the multilateral front through the World Trade Organisation and the regional front through the Asia-Pacific Economic Co-operation. Hong Kong's active participation and where appropriate, negotiations, in these organisations have enabled us to secure and further Hong Kong's commercial and economic interests.

On the bilateral front, the Government has concentrated on negotiating agreements in the two specific areas of air services and investment promotion & protection. The Government has so far accorded a low priority to concluding bilateral trade and co-operation agreements because being more general in nature, they are seen to be offering less tangible benefits than specifically targeted agreements. However, I am pleased to inform this Council that the Government has recently started to look into the merits and implications of negotiating and concluding a general agreement on trade and co-operation with the European Union. I shall be happy to inform and consult the LegCo Trade and Industry Panel on the progress and outcome of our deliberations.

End

#### Supplementary Labour Scheme

\* \* \* \* \*

Following is a question by the Hon James Tien Pei-chun and a reply by the Secretary for Education and Manpower, Mr Joseph Wong, in the Legislative Council today (Wednesday):

Question:

Information from the Census and Statistics Department indicates that under the Supplementary Labour Scheme introduced on 1 February this year, the minimum wages for various types of jobs have risen as compared to those for similar types of jobs under the former General Labour Importation Scheme. As a result, some employers in the industrial and commercial sectors cannot afford employing imported labour even though they are unable to recruit local employees. In this connection, will the Government inform this Council of:

- (a) the average percentage of increase in the minimum wages for the various types of jobs under the Supplementary Labour Scheme as compared to that for the corresponding jobs under the General Labour Importation Scheme, and how this rate of increase compares with the inflation rate in the same period; and
- (b) the criteria for determining the minimum ages for the various types of jobs under the Supplementary Labour Scheme; and whether, in determining such wages, consideration has been given to the ability of the employers in various sectors (especially those in small and medium-sized businesses) to afford wage increases in the present economic downturn?

Reply:

Mr President,

The Government's policy on importation of labour is that local workers must be given priority in filling job vacancies available in the job market, and that employers who are genuinely unable to recruit workers locally to fill these job vacancies should be allowed to bring in imported workers.

To safeguard the interests of local workers and to ensure that they will not be displaced by cheap labour from overseas, we have made it a requirement under the Supplementary Labour Scheme that the wages offered to local workers should be set at no less than the latest median monthly wage levels for comparable job titles in the local labour market.

It follows that if the employer is not able to recruit locally, the Scheme requires that the minimum wages to be offered to imported workers should be equivalent to the median wages for the same vacancies at the time of the visa application. This requirement is in compliance with Hong Kong's obligation under International Labour Convention No. 97 which stipulates that foreign workers should be subject to no less favourable treatment than that applied to their local counterparts in respect of remuneration and other conditions.

It should be noted that this wage requirement is also included under the previous General Labour Importation Scheme, and the Special Labour Importation Scheme for the New Airport and related Projects.

My replies to the specific parts of the question are as follows:

- (a) We last invited applications under the General Labour Importation Scheme in early 1994 when the minimum wages for the various jobs were based on the September 1993 wage figures. This Scheme was replaced by the Supplementary Labour Scheme which commenced in February this year and which has been using the September 1995 wage figures in setting the minimum wages for the various types of jobs. Comparing these two sets of figures, the average annual increase in the minimum wages is 9.5%, while the average annual inflation rate in the same period is 8.8%.
- (b) The minimum wages for the various jobs under the Supplementary Labour Scheme are set at the same level as the corresponding median wage levels compiled by the Census & Statistics Department at half-yearly intervals. The median wage statistics are computed from the results of the half-yearly Labour Earnings Survey on the actual wage levels of the respective jobs reported by employers, including small and medium-sized businesses.

End

#### Incidents involving unidentified gases

\* \* \* \* \*

Following is a question by the Hon Allen Lee and a reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Incidents involving unidentified gases hitting schools have frequently occurred in recent years, and a similar incident has recently occurred in a school near the Tai Po Industrial Estate. In view of this, will the Government inform this Council :

- (a) whether it has traced the source of the unidentified gas in the above incident, and whether the gas originated from the Tai Po Industrial Estate;
- (b) whether it will formulate guidelines to advise the management of schools (including schools for the disabled) on taking emergency evacuation measures effectively in the event of a gas attack; and

- (c) what mechanism the Government has to facilitate the payment of financial assistance and compensation to persons who have to be treated in hospital and those who suffer permanent physical injuries due to gas attacks?

Reply:

Mr President,

- (a) The source of the unidentified gas in respect of the incident referred to by the Honourable Member could not be established despite a thorough search of the school and the vicinity by the Fire Services Department. There was no evidence to suggest that the gas originated from the Tai Po Industrial Estate.
- (b) The Education Department has issued a circular to all schools, including those for the disabled, providing guidance on measures to be taken in the event of gas leaks or reports of unidentified gases or odours. These measures include the prompt removal of pupils from the affected area to a safe place with fresh air, care by a responsible member of staff for pupils not feeling well, and requesting for emergency services. Under these general guidelines to handle emergency situations, school heads are able to exercise their discretion to minimise adverse effect to the pupils while avoiding unnecessary anxiety or alarm.
- (c) Like any other patients suffer from gas attack and in financial hardship as a result of hospitalisation or permanent physical injuries may also apply for Comprehensive Social Security Assistance (CSSA). For CSSA recipients, their treatment at public hospitals will be free of charge. Those who suffer permanent physical injuries due to gas attacks resulting in a disability broadly equivalent to 100% loss of earning capacity will be eligible for a Disability Allowance. There are no specific schemes for compensation to be paid to persons who suffered injuries as a result of a gas attack. However, under our legal system, anyone who believes that he has suffered a harm or loss as a result of an act or omission by another person may seek redress in the civil courts.

End

Specialist treatment for burn patients

\* \* \* \* \*

Following is a question by the Hon Mok Ying-fan and a reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

The Pat Sin Leng hill fire tragedy, which resulted in a number of deaths and critical burns cases, has aroused public concern. In view of this, will the Government inform this Council:

- (a) which public hospitals have specialist burns units to deal specifically with burns cases and how these units operate;
- (b) of the number of burns patients who have received treatment, and the number of operations on burns patients in these units from 1993 to 1996; and
- (c) of the success rate in the treatment of severely burned patients (with burns up to one-third or more of their bodies) in public hospitals during the same period, and how it compares with the respective success rates in the United States, Britain, Japan and China?

Reply:

Specialist treatment for burns patients is provided in the isolation facilities of seven major acute hospitals namely Queen Mary Hospital, Pamela Youde Nethersole Eastern Hospital, Queen Elizabeth Hospital, Kwong Wah Hospital, Prince of Wales Hospital, Princess Margaret Hospital and Tuen Mun Hospital.

Since the statistics in respect of 1995 are still being finalised, only the number of burns patients admitted into public hospitals up to 1994 are available. The relevant figures are 1 910 in 1991, 1 735 in 1992, 1 674 in 1993 and 1 622 in 1994 respectively. On average, about 15% to 20% of these patients would require some form of surgical operations during the acute phase of their injury.

It will be difficult to ascertain the degree of success achieved by specialist treatment provided for burns patients which is dependent not only on severity of the injury, but also other factors such as age, location and depth of the burns, inhalation injuries as well as other underlying medical conditions. Furthermore, given the lack of local clinical data on the outcome of treatment for burns patients, it would not be possible to make a direct comparison with other countries.

End

Overnight parking for buses

\* \* \* \* \*

Following is a question by the Hon Samuel Wong and a reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council of:

- (a) the respective current shortfalls in overnight bus parking spaces of three bus companies (i.e. KMB, CMB and Citybus), as well as the respective numbers of buses of these companies which have to be parked on the road overnight at present; and
- (b) the reduction in the number of bus parking spaces over the past ten years as a result of the Government permitting bus companies to change the usage of their depots?

Reply:

Mr President,

Overnight parking for franchised buses is permitted at bus depots, off-street short term tenancy (STT) sites, bus termini and also on-street. Taking into account these designated locations for overnight parking, KMB, CMB and Citybus all have sufficient numbers of parking spaces to cater for their respective fleet sizes. The details are set out in the Annex to my reply.

Before buses can be parked overnight at bus termini and on roads, the bus companies must first seek the specific approval of the Commissioner for Transport who would consult the relevant District Boards before permission is given. The parking of buses overnight at termini and, to a more limited extent, on-street, is, of course, not ideal. However, such arrangements are unavoidable for operational reasons because of the lack of suitable sites for off-street parking in the vicinity. In some ways, the reliance on this arrangement has become even greater because bus companies have implemented new routes and improved frequencies in response to requests from District Boards for better services.

Our approach will be to continue to identify and allocate suitable off-street sites for overnight parking. For example, temporary off-street sites have been found for Citybus's fleet and, later this year, about 80 of KMB's buses currently parked on-street in Yuen Long and Tuen Mun will be relocated to a new off-street STT site in Tin Shui Wai. But it has to be recognised that such sites will be in very short supply, particularly in the urban areas where there are other competing and urgent demands for land.

The disposal of bus depots inevitably results in the loss of parking spaces. Over the past ten years, KMB lost 180 such spaces whilst the corresponding figure for CMB is 60. It should be noted that the bus companies had acquired the depots in question in the open market and permission for their disposal was given because the depots were no longer served an operational requirement.

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**Annex**

**Bus Parking Spaces for CMB, Citybus and KMB (As at 30 April 1996)**

<u>Company</u>	<u>Fleet Size (as at end 1995)</u>	<u>Off Street Parking Spaces</u>			<u>On Street (d)</u>	<u>Grand Total (a)+(b)+(c)+(d)</u>
		<u>At permanent bus depots (a)</u>	<u>At STT parking sites (b)</u>	<u>At approved bus termini (c)</u>		
<b>CMB</b>	<b>844</b>	<b>305</b>	<b>350</b>	<b>345</b>	<b>6</b>	<b>1,006</b>
<b>Citybus</b>	<b>375</b>	<b>0</b>	<b>155</b>	<b>222</b>	<b>0</b>	<b>377</b>
<b>KMB</b>	<b>3,513</b>	<b>1,660</b>	<b>687</b>	<b>1,185</b>	<b>231</b>	<b>3,763</b>
<b>Total</b>	<b>4,732</b>	<b>1,965 (38%)</b>	<b>1,192 (23%)</b>	<b>1,752 (34%)</b>	<b>237 (5%)</b>	<b>5,146 (100%)</b>

End

Lok Ma Chau Public Transport Interchange

\* \* \* \* \*

Following is a question by the Hon Ngan Kam-chuen and a written reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question:

It is learnt that the Lok Ma Chau Public Transport Interchange (the Interchange) was completed in April 1995 and scheduled to be brought into use in July of the same year. Although the Transport Department has indicated on two separate occasions that the Interchange would be in use before this Lunar New Year and Easter respectively, this has not materialised. In this connection, will the Government inform this Council:

- (a) of the reasons for the delay in putting the Interchange in use;
- (b) whether the proposed shuttle bus services at the Interchange have been approved by the relevant authorities in China and Hong Kong; and
- (c) of the general consultation procedures for such cross-border projects and the time required to complete such procedures?

Reply:

Mr President,

The Lok Ma Chau Public Transport Interchange was completed on schedule at the end of August 1995. This Interchange has been built to provide a cross-border shuttle bus service between Lok Ma Chau and Huanggang. It also has facilities to cater for taxis, buses, PLBs as well as private cars.

Under the agreement reached between the Shenzhen People's Municipal Government and the Hong Kong Government, each side is required to appoint an operator who in turn should form a joint-venture company to operate the shuttle bus service. On our part, following a tender exercise, we appointed the Kowloon Motor Bus Co Ltd in June 95. Negotiations between KMB and the bus company selected by the Shenzhen side took time and a joint-venture company was formed on 26 January 1996. The shuttle service will commence once certain formalities, such as those in relation to travel documents to be issued to the Chinese drivers, have been completed.

The Joint Working Group on Cross-border Transport Services deals with all cross border transport issues. There is almost daily contact between the border liaison officers on operational matters. Apart from this, we meet with our Shenzhen counterparts on a quarterly basis and the relevant Guangdong provincial authorities on a six-monthly basis. The time required for reaching agreement on specific projects very much depend on the subject matter.

End

#### Price movements of diesel oil for vehicles

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Following is a question by the Hon Miriam Lau and a written reply by the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

In the last two years, the average import price of light diesel oil stood at about \$1.1 per litre, whereas the retail price of vehicle diesel oil has risen from \$5.31 per litre in January 1991 to \$6.32 per litre in February this year. In view of this, will the Government inform this Council:

- (a) whether it has information showing the reasons for the big rise in the retail price of vehicle diesel oil; and
- (b) how it has monitored the extent of each price rise for petroleum products so as to prevent oil companies from setting prices at unreasonable levels?

Reply:

- (a) The movement of the retail price of diesel oil for vehicles in Hong Kong is affected by the movements of oil prices in the international market, the effects of local inflation on the operating costs of the oil companies, as well as the duty rate. During the period from January 1994 to March 1996, the retail price of diesel oil for vehicles increased by 16% from \$5.31 to \$6.16 per litre. Over the same period, the import price of diesel, the Consumer Price Index(A) and duty rate rose by about 15%, 19% and 28% respectively. (The retail price of diesel had gone down to \$6.16 per litre in March 1996 from \$6.32 per litre in February 1996.)
- (b) The increase in retail price has remained in line with the increase in costs. Five companies are operating in the market and are evidently competing with one another. The Government believes that market forces can be relied upon to ensure healthy competition among the oil companies supplying diesel oil for vehicles and that competition is the best safeguard against unreasonable price increases.

End

#### Language proficiency requirement of jurors

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Following is a question by the Hon Ambrose Lau Hon-chuen and a written reply by the Chief Secretary, the Hon Anson Chan, in the Legislative Council today (Wednesday):

Question:

According to the findings of a survey, local jurors have little or no knowledge of the legal terminology mentioned in a judge's summing up to the jury or the medical terminology used in inquiries held by coroners. In view of this, will the Government inform this Council:

- (a) of the number of cases in which a new jury had to be empanelled due to the low standard of English of the jurors, with a breakdown of such cases by type, in the past three years; and

- (b) whether it will review the language proficiency required of jurors so as to ensure that trials can be conducted fairly?

Reply:

Mr President,

- (a) Section 4 of the Jury Ordinance (Cap 3) sets out the qualifications of a juror, including, inter alia, a knowledge of the English language sufficient to enable him to understand the evidence of witnesses, the address of Counsel and the Judge's summing up. The Judiciary has advised that if the understanding of certain terms is material to a trial or an inquest, the judge or the coroner will normally direct such terms to be explained to the jurors and explain the legal terms himself in his summing up. The Judiciary has no record of any cases where a new jury has had to be empanelled as a result of the jurors' poor standard of English.
- (b) The Judiciary is committed to put in place a framework which enables Chinese, along with English, to be used in all judicial proceedings in Hong Kong before 1 July 1997. In the light of this commitment, the need to maintain the proficiency in English now required of jurors is under review.

End

Services provided by public libraries

\* \* \* \* \*

Following is a question by Dr the Hon David Li Kwok-po and a written reply by the Secretary for Recreation and Culture, Mr T H Chau, in the Legislative Council today (Wednesday):

Question:

It has been reported that a recent survey by the Hong Kong Development and Strategic Research Centre shows that a lack of services is the reason given by most people for making little or no use of public libraries. In this connection, will the Government inform this Council:

- (a) of the number and locations of public libraries in the territory as well as the services they provide;
- (b) whether any survey has been conducted to find out if the variety of books in public libraries is sufficient to meet the demand of users; if so, what the results are; if not, why not; and
- (c) whether it will consider extending the opening hours of public libraries at weekends so as to enable the working population to utilise the library services?

Reply:

- (a) The Urban Council currently operates a total of 33 libraries including 1 central library, 1 specialised Arts Library, 15 district libraries, 12 small libraries and 4 mobile libraries in the urban areas. The Regional Council operates a total of 25 libraries including 3 central libraries, 7 district libraries, 12 small libraries and 3 mobile libraries in the New Territories. The number and locations of the two Municipal Councils' libraries are shown in Annexes I and II.

As regards the services provided by these libraries, they include:

i) Reading, Listening and Viewing Services

The two Councils provide a combined stock of more than 5.55 million items of library materials in various forms, including books, newspapers and periodicals, audio-cassettes, audio compact-discs, video discs, video cassettes, microforms, computer programmes, Compact Disc-Read Only Memory (CD-ROM), Compact Disc-Interactive (CD-I), educational kits and maps to meet the varied needs of the people of Hong Kong.

ii) Lending Services

Lending services for adults and children are available in all libraries except the Arts Library where the materials are for reference only. In addition to books, audio-cassettes and back issues of periodicals are available for home lending in central and district libraries. In 1995, a total of 21.44 million items of library materials were borrowed for home use.

iii) Newspapers & Periodicals Services

Over 10,000 current titles of local and overseas newspapers and periodicals are subscribed by the libraries. The central libraries, City Hall Public Library and Arts Library also house back files of a large number of newspapers and periodicals in the original and microform format for readers to make retrospective searches. In 1995, a total of 1.91 million back issues of newspapers and periodicals were referred to in the two Councils' library systems.

iv) Block Loan Services

The libraries provide regular block loans of books, audio-cassettes and back issues of periodicals to non-profit-making organisations, rehabilitation and penal institutions and homes for the aged and the physically handicapped.

v) Outreach Programmes

Outreach programmes form an integral part of the public library services. Educational and recreational programmes such as book and art exhibitions, video shows and organised group library visits are frequently organised. In addition, the libraries also take an active role in promoting literary arts and have organised a number of literary arts awards such as the Awards for Creative Writing in Chinese, Poetry Writing Competition and the Competition on Story Writing in Chinese for Students to arouse public interest and awareness in this regard. On average, some 21,500 outreach events are organised by the two public library systems each year, attracting a total attendance of about 6.5 million per annum.

vi) Reference and Information Services

Reference library services are provided in the central libraries, City Hall Public Library and the Arts Library. These libraries provide comprehensive collections of reference materials and a number of special collections. In addition, they play an active role in the dissemination of information and the handling of public enquiries. In 1995, a total of some 490,000 reference enquiries had been handled whilst a total of 2.43 million items of reference materials had been referred to in the libraries.

In addition, the libraries also provide students' study room facilities, services for the handicapped, microform services and copying services for the public.

- (b) The Urban Council has conducted two benchmark surveys on its services in 1990 and 1992. The surveys have, inter alia, looked into public's reception of the library services. The surveys have revealed that the public is generally satisfied with the library services as the satisfaction rate increased from 77% in 1990 to 84% in 1992. In addition, the Urban Council has commissioned an independent institution to conduct a comprehensive survey on the Urban Council's library services in June 1996 to identify the needs of library users and non-users for the preparation of its Five-Year Plan for further development.

Similar benchmark surveys have been conducted by the Regional Council and the result of the public reception of the libraries services is also positive as the satisfaction rate has risen from 60% in 1991 to 68% in 1993. The Regional Council has also planned to conduct a special public opinion survey on the library services in July this year. This survey will enable the Council to identify the needs of the public at large and to further improve its library services provided to the public.

- (c) The Urban Council's central and district libraries at present open 7 days a week for 57 hours, with one late night closing at 9 p.m. on Friday. The Regional Council's central and district libraries open 6 days a week for 56 hours with a closing day on either Monday or Thursday. All Municipal Councils' libraries are open from 9 a.m. or 10 a.m. until 5 p.m. and 1 p.m. on Saturdays and Sundays respectively. The two Municipal Councils are currently reviewing the opening hours of their libraries as well as other library services with a view to better serving the community. The feasibility of extending library opening hours at weekends will be carefully considered.

End

Dental services for the elderly

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Following is a question by the Hon Li Wah-ming and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

With regard to a recent study by the Faculty of Dentistry of the Hong Kong University which revealed that up to 70% of the elderly are not provided with dental treatment, will the Government inform this Council :

- (a) why no public dental services are specifically provided for the elderly; and
- (b) whether it will review the demand of the elderly for dental services and consider providing dental services in health centres for the elderly; if not, why not ?

Reply:

- (a) The Government's policy on dental service to the public is to provide preventive services such as the School Dental Care Service and promotive services such as oral health education. Curative services are limited to persons in need of emergency treatment, to specified special needs groups and to in-patients in public hospitals whose dental treatment forms an essential part of their medical treatment. For the financially disadvantaged elderly who are eligible for public assistance, they can seek treatment at the non-profit making dental clinics designated by the Social Welfare Department (SWD) and fees can be reimbursed through the Comprehensive Social Security Assistance (CSSA) scheme. The elderly can also visit private dental clinics but only the amount of fee equivalent to that charged by the SWD designated clinics for the same treatment will be reimbursed.
- (b) At present, Government does not plan to review its policy on the provision of dental services. Accordingly, there are no plans for the provision of dental services in health centres for the elderly.

End

Measures to prevent unlicensed storage of dangerous goods

\* \* \* \* \*

Following is a question by the Hon Ip Kwok-him and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

It has been reported that, in the course of investigation of a fire which broke out in a flat in the Western District last month, the Police had discovered dangerous goods being stored in the flat without licence. As the incident has aroused widespread public concern, will the Government inform this Council:

- (a) of the number of cases concerning the storage of dangerous goods without licence in each of the past three years;
- (b) what measures are in place to prevent people from storing dangerous goods without licence; and
- (c) whether it has any plans to review or amend in the near future the existing system for regulating the issue of licences for storing dangerous goods?

Reply:

- (a) The number of cases concerning the illegal storage of dangerous goods prosecuted under the Dangerous Goods Ordinance in the past 3 years is:

<u>Year</u>	<u>No. of Cases</u>
1995	105
1994	84
1993	129

- (b) The Fire Services Department, as the licensing authority, will inspect all dangerous goods stores before a licence is issued or renewed to ensure that these stores are maintained to the required standards. The Department will also see if there is any illegal storage of dangerous goods during its inspections of premises, such as restaurants, schools and places of public entertainment, applying for other types of licences.

To enhance awareness of safe use and storage of dangerous goods, fire prevention campaigns, visits and talks are regularly conducted by the Department. It also has a 24-hour hot-line to handle complaints concerning dangerous goods.

- (c) There are no plans at present to review or amend the existing licensing system on the storage of dangerous goods.

End

Jockey Club funded social activities

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Following is a question by Dr the Hon Law Cheung-kwok and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) of the amount of donation by the Royal Hong Kong Jockey Club (the RHKJC) for funding social activities (e.g. education and sports) for which the Government is responsible in each of the past three years; and
- (b) of the measures in place to monitor the social activities funded by the donation of the RHKJC and for which the Government is responsible; and what the details of such measures are?

Reply:

- (a) By convention, every year the Governor recommends to the Royal Hong Kong Jockey Club (RHKJC) a list of projects to be funded by them - this has been informally referred to as the annual "Governor's Shopping List" exercise. The Secretary for Health and Welfare vets the large number of initial applications and recommends a shortlist to the Governor. In the past three years (the RHKJC's financial year runs from 1 July to 30 June), the following amounts have been allocated to projects through this exercise -

1992-93	\$88 million
1993-94	\$75 million
1994-95	\$78 million

According to its Annual Reports, these sums represent about 7% of the total charitable donations made by the RHKJC over this period. On donations made outside the "Shopping List" exercise, the RHKJC consults the Government to ensure that the RHKJC's allocation of funds for major charitable and community projects is in keeping with the interest and expectations of the public. Active Government support is required in cases where projects would necessitate public expenditure (whether capital or recurrent) in order to reach fruition.

- (b) Once the RHKJC has approved the allocation of funds to organisations successful in their "Shopping List" bids, the Policy Branches concerned monitor the organisations to ensure that the donations are spent appropriately and in a timely manner.

End

#### Allocation of RTHK's air time

\* \* \* \* \*

Following is a question by the Hon Emily Lau and a written reply by the Secretary for Recreation and Culture, Mr T H Chau, in the Legislative Council today (Wednesday):

Question:

It is learnt that one of the items in the list of requests for assistance from the Hong Kong Special Administrative Region Preparatory Committee (PC) to the Administration is a request for Radio Television Hong Kong air time to broadcast programmes about the work of the PC. Will the Administration inform this Council:

- (a) of the policy regarding the allocation of RTHK's air time for broadcast on radio and television;
- (b) whether the Administration will comply with the PC's request; and

- (c) whether the policy referred to in (a) above prohibits the use of the air time for broadcasting political propaganda; if so, how the Administration will ensure that this policy is adhered to?

Reply:

The licences of commercial television broadcasters make provision for the broadcasting of Government programmes at the direction of the Broadcasting Authority, subject to the time limits set out in Section 8A (which is annexed) of the Television Ordinance. The present practice is that RTHK uses this facility to provide programmes which inform, educate and entertain Hong Kong people. In doing so, RTHK exercises editorial independence in deciding on the nature and content of the programmes it produces.

In addition, the licences of the commercial television broadcasters also make provision for the broadcasting of Announcements in the Public Interest (API), subject to the time limits set out in their licences. These APIs carry messages from either Government departments or non-governmental organisations, such as the Red Cross or the Community Chest.

As regards radio, RTHK exercises editorial independence in planning and producing its own radio programmes. The commercial radio stations are required under their licensing conditions to broadcast APIs supplied by Government and non-governmental organisations. RTHK also broadcasts such APIs.

The Preparatory Committee has requested Government's assistance in providing them with television and radio air time. We have explained to the Preparatory Committee secretariat that to enable us to take forward our consideration of their request, we would need more information from them as regards their proposal. The Administration will consider the Preparatory Committee's request on the basis of existing broadcasting legislation and policy.

Regulation 7 of the Commercial Television (Advertising) Regulations provides that no advertisement of a political nature shall be broadcast. As for radio, paragraph 8(m) of the Radio Code of Practice on Advertising Standards similarly provides that no advertisement of a political nature shall be broadcast by a licensee, except with the prior approval of the Broadcasting Authority. RTHK does not carry advertising.

End

Fire prevention facilities on passenger ferries

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Following is a question by the Hon Zachary Wong and a written reply by the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) of the fire prevention facilities currently installed on the passenger ferries of the Hongkong and Yaumati Ferry Company Limited, the Star Ferry Company Limited, and the other locally registered ferries on the Hong Kong/China and Hong Kong/Macau routes; and when the standards of such fire prevention facilities were first prescribed by the Government;
- (b) how the authorities concerned ensure that the fire prevention installations on such ferries meet the standards prescribed by the Government; and whether any ferry companies have been prosecuted for breach of the standards, if so, the penalty imposed; and
- (c) whether it will review the current standards of fire prevention facilities applicable to ferries; if so, when the review will be conducted; if not, why not?

Reply:

Mr President,

The legislation covering fire prevention facilities on the passenger ferries of the Hongkong and Yaumati Ferry Company Limited and the Star Ferry Company Limited, viz. locally licensed ferries, are different from those for Hong Kong Registered passenger craft on the Hong Kong/China and Hong Kong/Macau routes. The former are governed by local legislation and the latter are governed by international conventions and codes developed by the International Maritime Organisation (IMO). The answer is therefore given in two parts.

(i) *Locally Licensed Ferries*

- (a) The provisions for fire appliances on board licensed ferry vessels are prescribed under the Merchant Shipping (Fire Appliances) Regulation, Cap. 369 which came into operation in 1969. It stipulates that fire pumps, fire mains, hydrants, hoses, nozzles and fire extinguishers shall be provided on board ships. Moreover, for certain types of passenger vessels, such as triple deckers, catamarans, etc., engine rooms are required to be provided with fixed fire extinguishing installations.
- (b) Before a new vessel is licensed, Marine Department will carry out a survey to ensure that the vessel complies with the relevant safety requirements including those relating to fire prevention facilities. Thereafter, the vessel will be thoroughly inspected annually for the renewal of licence. Moreover, patrol officers of the Marine Department will conduct random spot checks on ferry vessels. Prosecution will be instigated if deficiencies are found. So far no prosecution action has been taken on these ferries for contravention of the requirements.
- (c) Safety standards of local vessels are at present being reviewed in consultation with the industry. The review of regulations relating to fire appliances is scheduled to commence in the second half of this year.

(ii) *Hong Kong registered passenger craft on the Hong Kong/China and Hong Kong/Macau routes*

- (a) Currently, there are two conventional passenger ships plying on these routes and the other vessels on these routes are high speed craft of light construction, which are also termed as dynamically supported craft (DSC).

The requirements for fire prevention facilities on these passenger craft are governed by the Safety of Life at Sea (IMO) Convention which has been implemented in Hong Kong by :

- (i) Merchant Shipping (Safety) (Fire Protection) (Ships Built Before 25 May 1980) Regulations 1991;
- (ii) Merchant Shipping (Safety) (Fire Appliances) (Ships Built On or After 25 May 1980 but Before 1 September 1984) Regulations 1991;

- (iii) Merchant Shipping (Safety) (Fire Protection) (Ships Built On or After 1 September 1984) Regulations 1991;
- (iv) Merchant Shipping (Safety) (Passenger Ship Construction) (Ships Built Before 1 September 1984) Regulations 1991; and
- (v) Merchant Shipping (Safety) (Passenger Ship Construction and Survey) (Ships Built On or After 1 September 1984) Regulations 1991.

All the above Regulations are made under the Merchant Shipping (Safety) Ordinance, Cap. 369 and were enacted in 1991. The Regulations specify the requirements for structural fire protection, prevention of fire spread through ventilation system, fixed fire detection and extinguishing systems, restriction on the use of low flash point fuel, fire patrol, fire pumps, fire mains, portable fire extinguishers, fire fighting gear, fire control plans etc.

Moreover, in view of the special design of DSC, IMO adopted a Code of Safety for Dynamically Supported Craft (DSC Code) in 1977 specifying safety standards for DSC. At present, the Code, which sets out the requirements on the design and construction of DSC, is applied administratively in Hong Kong. Regarding fire prevention facilities in particular, the Code stipulates requirements covering similar aspects as those for passenger craft, but differing in details to suit the design features of DSC.

- (b) The design features of a passenger craft are examined by Marine Department and confirmed to be in compliance with the requirements before construction of the vessel is commenced. It will then be inspected during and upon completion of construction before it enters into service. Once in service, annual surveys will be carried out to ensure that the structural details and equipment are maintained in satisfactory condition. Further spot checks are conducted to ensure compliance with the requirements. With these measures in place, we can confirm that these passenger craft maintain a very high safety standard and so far no prosecution action has been taken.

- (c) In recognition of the growth in size and types of high speed craft and to reflect the improvements of maritime safety standards since 1977, the International Code of Safety for High Speed Craft (HSC Code) was developed and has recently been adopted by the Member States of IMO to replace the DSC Code. The Code sets out the safety standards regarding the construction of high speed craft, the equipment to be provided and the conditions for their operation and maintenance. Necessary legislation to implement the HSC Code in Hong Kong is now under preparation and is targeted to be enacted within this year. In the meantime, with the full co-operation of the craft operators, the requirements of this Code are being implemented administratively and the very high standard continues to be maintained.

End

Private dangerous slopes maintenance

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Following is a question by the Hon Ambrose Lau and a written reply by the Secretary for Works, Mr H S Kwong, in the Legislative Council today (Wednesday):

Question:

It has been reported recently in the press that maintenance works are being carried out on some 160 private dangerous slopes, and that such works will not be completed before the coming rainy season. In view of this, will the Government inform this Council of the emergency measures that will be taken before the onset of the rainy season, so as to reduce the potential hazards of these slopes?

Reply:

Mr President,

The duty to maintain private slopes rests with the owners. When the Buildings Department (BD) issues a Dangerous Hillside Order, the owner is normally required to complete certain works within specified time limits including the appointment of an authorised person or consultant. A reasonable time limit will be imposed in cognisance of the scope and complexity of various works involved. Permanent civil engineering works of this nature comprising the investigation, design and construction phases will normally take two to three years to complete. Where circumstances warrant, temporary protective works may also be required within a relatively short period of time before the commencement of permanent works. In adverse times where adequate safeguards cannot be taken promptly, it may be necessary in exceptional cases to temporarily evacuate residents and close the affected buildings. Warning notices will also be posted at conspicuous positions on site to keep people away from the affected area when BD staff serve such an Order.

The authorised person and/or the consultant appointed by the owner is required to be responsible for taking precautionary measures and giving warning of impending danger prior to completion of permanent works. The precautionary measures may include the installation of instrumentation for close monitoring of slope stability, the protection of exposed slope works, the provision of temporary surface drains and the maintenance of these systems in good working order. In this connection, with the onset of the rainy season this year a reminder has recently been sent to the professionals concerned to draw attention to the need to take appropriate measures as mentioned so as to ensure safety of the slopes concerned.

In the event that the owner fails to comply with the requirements under an Order, BD will appoint a consultant to proceed with the works in his default. BD is also empowered to carry out emergency work deemed necessary to obviate any imminent danger of slope failure. Currently, some 35% of these private slope Orders are in default by owners and are now under the control of geotechnical consultants appointed by BD.

In the unfortunate event of a landslide on a private slope, the emergency response capability of the works Group is available to assist as if it were a public slope. Key departments such as Civil Engineering, Highways, Drainage Services, Electrical & Mechanical Services and Architectural Services all have contingency plans to set up control centres in times of emergency to liaise with Police and Fire Services to ensure that technical assistance is provided as soon as possible.

End

Banking Code of Practice

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Following is a question by the Hon Fred Li and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

At present, when credit card users or loan borrowers default on repayment, some banks and finance companies make enquiries or seek to recover the debts from their referees, thus causing nuisance to the referees. In reply to a question in this Council in January this year, the Government stated that the matter would be studied by a Working Party to be formed by the Hong Kong Monetary Authority and the banking industry associations to develop a "Banking Code of Practice". In this connection, will the Government inform this Council:

- (a) when such study will be completed and its recommendations implemented; and
- (b) whether, in studying the matter, consideration will be given to:
  - (i) requiring applicants to produce their referees' written consent as well as requiring banks and finance companies to contact the referees to verify their consent; if not, why not;
  - (ii) stipulating the provisions concerning the responsibilities of referees and requiring banks and finance companies to inform referees of such provisions in writing; if not, why not; and
  - (iii) requiring banks or finance companies to inform the referees concerned in writing when credit card users or loan borrowers become insolvent and have disappeared, and to refrain from recovering the debts from the referees or passing on the personal data of the referees to debt collecting companies, if not, why not?

Reply:

- (a) The Code of Banking Practice (the Code) is expected to be completed by the end of 1996. In the meantime, the Hong Kong Monetary Authority (HKMA) has already taken steps to address some of the issues before the publication of the Code. These include -

- (i) issuing a letter in January 1996 to the banking industry associations to remind authorised institutions (AIs) under the Banking Ordinance that they should satisfy themselves that applicants for personal loans or credit cards have obtained the prior consent of the referees before the latter's names are entered into the application forms;
- (ii) establishing a complaint hotline on 22 April 1996 so that the HKMA can monitor closely the propriety of the debt recovery actions of agencies employed by AIs and, if necessary, follow up with individual institutions to rectify any weaknesses in their management of debt collection agencies; and
- (iii) issuing a letter on 22 April 1996 to the banking industry associations to stress that the employment of debt collection agencies which use improper means to recover debts is unacceptable and the need for AIs to exercise strict control over their agencies.

The HKMA will closely monitor the complaints received through the complaint hotline. If it appears that there is a significant number of legitimate complaints, further action to restrict the use of debt collection agencies will be considered. Furthermore, in the light of public concern, the Working Group on the Code of Banking Practice (Working Group) will consider whether the sections of the Code on referees and debt collection agencies should be prepared and issued in advance of the rest of the Code.

- (b) The Working Group will give due consideration to the specific points referred to in part (b) of the question in developing the Code -
  - (i) the Administration supports the principle that referees' consent must be obtained before their names are entered into the application forms as set out in HKMA's letters to the banking industry associations in January 1996. The means of obtaining such consent will be further examined in the context of the Code, taking into account the need to strike a balance between the need to verify such consent and the operational efficiency of institutions and cost implications for customers;

- (ii) if a referee has not entered into a formal contractual agreement with the lender to guarantee the liabilities of the borrower or cardholder, the referee has no legal obligation in respect of the borrower's liabilities towards the lender. The Working Group will consider recommending AIs to inform referees in writing of this basic principle and other rights and responsibilities of referees;
- (iii) AIs or debt collection agencies have no right to recover the debt from the referee unless the latter has taken on the role of a guarantor. The Administration supports in principle the suggestion that AIs should not pass information about referees to debt collection agents. This issue will be considered in detail by the Working Group together with the suggestion that AIs should inform referees in case of default by the borrower or the cardholder.

End

#### Banknotes issued by Bank of China

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Following is a question by Dr the Hon Law Cheung-kwok and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

At the time when the Bank of China started to issue Hong Kong dollar banknotes, there were reports that such banknotes could not be exchanged for the local currency in some places in Europe and America. Moreover, during a recent trip to Taiwan, I personally experienced that Hong Kong dollar banknotes issued by the Bank of China were not exchangeable in banks and hotels in Taiwan. In this connection, will the Government inform this Council whether it is aware of the reasons why Hong Kong dollar banknotes issued by the Bank of China are not exchangeable in Taiwan and whether the circulation of such banknotes in Europe and America has encountered similar situation; if so, what remedial measures have been taken by the Government in this regard?

Reply:

Hong Kong dollar bank notes are legal tender in Hong Kong. The acceptance by a person of Hong Kong dollar bank notes in a place outside Hong Kong, whether for conversion into local currency or in settlement of a debt denominated in that currency, is a commercial decision by the person concerned. It is not unusual that bank notes issued by one place are not accepted in foreign countries. Like other governments, the Administration has no authority to compel a person in foreign countries to accept its domestic currency for such purposes.

The Hong Kong Monetary Authority (HKMA) has not received any report on incidents referred to in the question. The HKMA and the note-issuing banks have been active in explaining to those who are interested, both local and overseas, the arrangements for the issue of Hong Kong dollar bank notes, including the US dollar backing for such notes in the Exchange Fund and the issue of Hong Kong dollar bank notes by the Bank of China since May 1994, and the procedures adopted by note-issuing banks for the return of Hong Kong dollar bank notes for value.

We are aware that the three note-issuing banks, including the Bank of China, have jointly produced a brochure illustrating the types of Hong Kong bank notes in issue. These brochures are distributed to banks abroad.

End

#### Proposal to bring Stock Exchange under bribery law

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Following is a question by the Hon Emily Lau and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

With regard to the Independent Commission Against Corruption (ICAC)'s proposal to bring the Stock Exchange of Hong Kong Limited (the Exchange) within the jurisdiction of the Prevention of Bribery Ordinance, will the Government inform this Council:

- (a) of the reasons for the ICAC putting forward such a proposal at this time;

- (b) whether the scope of the proposed inclusion of the Exchange will cover the regulation of the staff, council members, members of various standing committees as well as individual and corporate members of the Exchange; and
- (c) of the progress of the discussion between the ICAC and the Exchange on the proposal?

Answer:

- (a) In 1994, the Stock Exchange of Hong Kong requested the Corruption Prevention Department of the ICAC to study the work of its Listing Division, Finance & Operations Services Division and Compliance Division. The studies were completed in late 1995. The reports of the studies confirmed that there were no major problems in the SEHK procedures. In endorsing the reports, however, the Corruption Prevention Advisory Committee noted the Exchange's statutory monopoly of securities trading in Hong Kong and its crucial role for the investing public. The Committee therefore recommended that the Exchange be included in the Schedule of public bodies to the Prevention of Bribery Ordinance (the Ordinance) so that the Corruption Prevention Department of the ICAC could initiate studies on all other procedures of the Exchange with a view to giving corruption prevention advice where appropriate, notwithstanding that the ICAC has always received the fullest co-operation in its systems audit work for the Exchange in the past.

- (b)&(c) The Exchange has sought clarification from the ICAC on whether the statutory definition of "public servants" in Section 2 of the Ordinance would include staff and all the various categories of membership of the Exchange if the Exchange were listed as a public body under the Ordinance. In particular, legal advice is being sought as to whether a broker member of the Exchange who is not an agent of the Exchange in the ordinary course of business would be regarded as a public servant under the Ordinance. We understand that the Exchange will take a decision on ICAC's proposal in the light of further clarification and legal advice referred to above.

End

No cases of CSD staff disciplined for gambling

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Following is a question by the Hon Zachary Wong and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) of the number of Correctional Services Department staff who were disciplined in the past three years for gambling among themselves or gambling with prisoners while on duty and of the penalties imposed on such staff; and
- (b) of the monitoring measures in place to eradicate the problem of Correctional Services Department staff gambling while on duty?

Reply:

Mr President

- (a) In the past three years, we have had no cases of Correctional Services Department staff having been disciplined for gambling, either among themselves or with prisoners while on duty.
- (b) There are adequate monitoring procedures in the CSD to prevent all kinds of illicit activity including gambling. These include security controls, background checks, proper supervision and interviews as necessary.

End