

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 2 June 1982****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR EDWARD YOUDE, K.C.M.G., M.B.E.

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

THE HONOURABLE THE FINANCIAL SECRETARY (*Acting*)
MR. HENRY CHING, C.B.E., J.P.

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

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR. DENIS CAMPBELL BRAY, C.M.G., C.V.O., J.P.

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

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

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

THE HONOURABLE ALAN JAMES SCOTT, C.B.E., J.P.
SECRETARY FOR TRANSPORT

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

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

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

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

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

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

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

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

THE HONOURABLE GRAHAM BARNES, J.P.
REGIONAL SECRETARY (HONG KONG AND KOWLOON), CITY AND NEW
TERRITORIES ADMINISTRATION

THE HONOURABLE COLVYN HUGH HAYE, J.P.
DIRECTOR OF EDUCATION

THE HONOURABLE IAN FRANCIS CLUNY MACPHERSON, J.P.
REGIONAL SECRETARY (NEW TERRITORIES), CITY AND NEW TERRITORIES ADMINISTRATION

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

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

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

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

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

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

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

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

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

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

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

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

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

THE HONOURABLE CHARLES YEUNG SIU-CHO, O.B.E., J.P.

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

THE HONOURABLE ALLEN LEE PENG-FEI, J.P.

THE HONOURABLE HU FA-KUANG, J.P.

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

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, J.P.

THE HONOURABLE CHAN KAM-CHUEN, J.P.

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

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, J.P.

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

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

THE HONOURABLE MARIA TAM WAI-CHU, J.P.

ABSENT

THE HONOURABLE DAVID WYLIE McDONALD, C.M.G., J.P.
SECRETARY FOR LANDS AND WORKS

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, C.M.G., J.P.
SECRETARY FOR EDUCATION

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

THE HONOURABLE DAVID KENNEDY NEWBIGGING, O.B.E., J.P.

THE HONOURABLE ANDREW SO KWOK-WING, J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL

MRS. JENNIE CHOK PANG YUEN-YEE

Address by the Governor

HIS EXCELLENCY THE PRESIDENT:—On this, the first meeting of the Legislative Council since my arrival in Hong Kong, I should like to say that it is for me both a pleasure and a privilege to be able to preside over your proceedings. In doing so I am very conscious of the importance of those proceedings for the well-being of this territory and of the time, care and effort which Members put into the work not only of the Council itself but of the U.M.E.L.C.O., the Finance Committee and its sub-committees—all of which perform an essential role in the good government of Hong Kong. My predecessors have in their opening addresses to this Council thanked honourable Members for this contribution and I should like, in all sincerity, to do the same.

I look forward to participating in your work and to presiding over your debates which I am sure will be both lively and instructive. Thank you.

MR. LOBO:—Your Excellency, on behalf of my Unofficial Colleagues, I would like to welcome Your Excellency to this Council (and welcome Lady YOUDE, whom I see sitting among us today) and to thank you, Sir, for your kind and reassuring words of greeting.

The people of Hong Kong are indeed greatly encouraged by Your Excellency's unequivocal commitment to the interests of Hong Kong and our future.

We share this same commitment and to that end my Colleagues and I pledge our full and whole-hearted support.

We wish Your Excellency and Lady YOUDE a long and happy stay in Hong Kong.

HIS EXCELLENCY THE PRESIDENT:—Thank you very much for those kind words of welcome.

Papers

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

<i>Subject</i>	<i>L.N. No.</i>
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Subsidiary Legislation:

Public Health and Urban Services Ordinance.	
Cheung Chau Cemetery, Sandy Ridge Cemetery, Sandy Ridge Urn Cemetery and Wo Hop Shek Cemetery (Removal and Disposal of Human Remains) Order 1982.....	176
Funeral Parlour (New Territories) Regulations 1981.	
Funeral Parlour (New Territories) Regulations 1981 (Commencement) Notice 1982.....	177

<i>Subject</i>	<i>L.N. No.</i>
Undertakers of Burials (New Territories) Regulations 1981.	
Undertakers of Burials (New Territories) Regulations 1981 (Commencement) Notice 1982	178
Public Health and Urban Services Ordinance.	
Public Swimming Pools (Amendment) By-laws 1982	179
Legal Aid Ordinance.	
Legal Aid (Assessment of Contributions) (Amendment) Regulations 1982 .	180
Prisons Ordinance.	
Prisons (Nei Kwu Chau Correctional Institution) Order 1982	181
Detention Centres Ordinance.	
Nei Kwu Chau Detention Centre (Cancellation) Order 1982.....	182
Lands Tribunal Ordinance.	
Lands Tribunal (Amendment) Rules 1982.....	183
Interpretation and General Clauses Ordinance.	
Fees for Official Signatures and Miscellaneous Services (Amendment) Notice 1982.....	184
Landlord and Tenant (Consolidation) (Amendment) (No. 2) Ordinance 1981.	
Landlord and Tenant (Consolidation) (Amendment) (No. 2) Ordinance 1981. (Commencement) (No. 2) Notice 1982	185
Inland Revenue Ordinance.	
Inland Revenue (Interest Tax) (Exemption) (Amendment) Notice 1982	187
Sessional Paper 1981-82:	
No. 53—Supplementary Provisions approved by the Urban Council during the Fourth Quarter of the Financial Year 1981-82.	
Speeches:	
Speeches delivered at the City Hall on the occasion of the swearing-in of Sir Edward Youde as Governor of Hong Kong on 20 May 1982.	

Oral answers to questions

Prosecution of unregistrable dentists

1. DR. FANG asked:—*How many unregistrable dentists have been prosecuted during the last three years and what were the average fines and sentences imposed?*

THE ATTORNEY GENERAL:—Sir, the numbers of persons falsely pretending to be dentists who have been prosecuted and convicted of breach of s. 25 of the Dentists Registration Ordinance (Cap. 156) in recent years are believed to be approximately as follows:—

1979	— 81
1980	— 59
1981	— 55
1982	— 45

(to end May)

The average fine imposed was in the region of \$750, though in a few cases suspended sentences of imprisonment of about three months were imposed.

DR. FANG:—*Sir, will Government consider bringing the penalties for unregistered dentists in line with unregistered medical practitioners?*

THE ATTORNEY GENERAL:—Yes, Government will consider that. The present position, speaking from memory, is that dentists are liable to a fine of \$1,000 and doctors, I think, \$50,000. Whether this reflects a difference between the professions that is appropriate, I am not sure.

Assistance to unofficial members of District Boards

2. MR. WONG LAM asked in Cantonese:—

請問政府如何協助非官守區議員，使他們有效地履行職責？

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

What assistance is being given to unofficial District Board members to enable them to discharge their duties effectively?

SECRETARY FOR CITY AND NEW TERRITORIES ADMINISTRATION:—Sir, firstly, staff of the District Offices are available to render general assistance and to supply information to unofficial members on District Board matters.

Secondly, explanations on Government organization and procedures and related topics have been arranged. These have been attended by both official and unofficial members. It is also my intention to arrange, through the Government's Training Division, further sessions to provide unofficial members with a better understanding of Government procedures and policies in areas such as housing, transport, social services, town planning, and so forth.

Thirdly, wherever possible, City District Offices and District Offices have set aside one or two rooms for the use of District Board unofficial members who may require office accommodation in carrying out their duties. Plans are also in hand for acquiring, in each district, more suitable conference facilities, including larger conference rooms and simultaneous interpretation equipment.

Fourthly, with effect from 1 April 1982, unofficial District Board members can claim an honorarium of \$2,000 a month to meet travelling expenses and other out-of-pocket expenses.

Lastly, I am most anxious to help in any practicable way to make the Boards as effective as possible.

MR. WONG LAM asked in Cantonese:—

閣下，我非常歡喜聽聞各區民政署及理民府會有一兩間辦公室供非官守議員應用，請問何時可以供應這些辦公室？

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

Sir, I am pleased to hear that District Offices and City District Offices will have one or two rooms made available for unofficial members. I want to know when the scheme will be implemented?

SECRETARY FOR CITY AND NEW TERRITORIES ADMINISTRATION:—Sir, I can give the Unofficial Member a report on the various facilities in various districts in writing shortly.

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY.)

I forward, for your information, a situation report on the allocation of office premises for the use by unofficial District Board members in District Offices.

SITUATION REPORT AS AT JUNE 1982

ALLOCATION OF OFFICE SPACE FOR USE BY DB UNOFFICIAL MEMBERS

City District Offices

<i>District</i>	<i>Address</i>	<i>Remarks</i>
1. Central & Western	City District Office (C & W), 222 Des Voeux Road C, 6/F, HONG KONG.	Space available in the City District Office.
2. Kwun Tong	City District Office (KT), Kwun Tong District Branch Offices Building, Tung Yan Street, 3/F, KOWLOON.	Space available in the City District Office.
3. Kowloon City	City District Office (KC), 141- 143 Kau Pui Loong Road, Morning Joy Building, 1/F, KOWLOON.	Space available in the City District Office.
4. Yau Ma Tei	City District Office (YMT), 492 Nathan Road, Hop Fat Commercial Centre, KOWLOON.	Space available in the City District Office.

City District Offices

<i>District</i>	<i>Address</i>	<i>Remarks</i>
5. Wong Tai Sin	City District Office (WTS), Room 402, San Po Kong Government Offices Building, 4/F, King Fuk Street, San Po Kong, KOWLOON.	Space available in the City District Office.
6. Wan Chai	City District Office (WC), Tung Wah Mansion, 8/F, 201 Hennessy Road, HONG KONG.	Offices will be available in July/August when CDOs move to new offices.
7. Southern	City District Office (S), 2/F, Mei Fung Court, 7-11 Nam Ning Street, Aberdeen Centre, Aberdeen, HONG KONG.	
8. Sham Shui Po	City District Office (SSP), 37-39 Tung Kin Street, Cheung Sha Wan, KOWLOON.	
9. Eastern	City District Office (E), 884-886 King's Road, 1/F, North Point, HONG KONG.	Fitting out of offices is in progress and until completed, arrangements will be made for any unofficial member who requires assistance to use the conference room when available.
10. Mong Kok	157 Prince Edward Road, Tung Ping Building, 3/F, KOWLOON.	

District Offices

<i>District</i>	<i>Address</i>	<i>Remarks</i>
1. Tsuen Wan	District Office (TW), Fou Wah Centre, 210 Castle Peak Road, Tsuen Wan, NEW TERRITORIES.	Space available in the office.
2. Tuen Mun	District Office (TM), 8/F & 9/F, Foo Yik Commercial Building, San On Street, T.M.T.L. 149, Tuen Mun, NEW TERRITORIES.	Space available in the office.
3. North	District Office (N), Fanling Sub-Office, Jockey Club Road, Fanling, NEW TERRITORIES.	Office space available one day in a week.
4. Sai Kung	District Office (SK), Amoy Plaza, Phase I, 2/F, (Part), 77 Ngau Tau Kok Road, KOWLOON.	Office space will be available for the use of DB unofficial members when the District Office (SK) moves into new offices in few months' time. Meanwhile, should any unofficial member requests assistance, arrangements will be made for him to use the conference room.

District Offices

<i>District</i>	<i>Address</i>	<i>Remarks</i>
5. Islands	District Office (Is), 16/F, Sincere Building, Central, HONG KONG	Office space will be available for the use of DB unofficial members when office space in the District Office (Islands) is vacated by Lands staff, about November 1982. Meanwhile, should any unofficial member requests assistance, arrangements will be made for him to use one of the rooms in the District Office.

Sha Tin, Tai Po and Yuen Long

As for the districts of Sha Tin, Tai Po and Yuen Long, no office space is available in the day-time, and no requests for such assistance have been made. However, should there be a need, all three DOs will make arrangements to allocate office space to unofficial members in the evening. (In the case of Tai Po, office space has been reserved for use for unofficial DB members in the new office in the Tai Po Commercial Centre which will be available at the end of the year.)

Junior Police Call

3. MRS. CHOW asked:—*How many members are there in the Junior Police Call? What distinguishes their activities from other social and recreational youth clubs?*

SECRETARY FOR SECURITY—Sir, membership stands at 301 000 boys and girls, aged between nine and seventeen years.

To answer the second part of Mrs. CHOW's question it is necessary to look at the origins of Junior Police Call. It was launched in July 1974 to encourage closer relations between youth and the Police Force, and to provide a means whereby young people from all strata of society could participate actively in the fight against crime. It began as a five-minute weekly television programme in which various aspects of Police work were introduced, criminal cases were reconstructed, appeals were made for eye-witnesses and information, registration numbers of wanted vehicles were publicized and crime prevention advice was given. This initiative met with an enthusiastic response, which led to the formation, under the management of the Police Public Relations Wing, of the Junior Police Call movement. In subsequent years the scheme has been expanded to provide facilities for a wide range of sports, hobbies and training from which members may acquire useful knowledge and experience of their responsibilities to the community.

In short, like any other social or recreational youth club it has its own particular loyalty. Junior Police Call has a unique affiliation with the Police Force. As such it is an important part of the general Police community effort, and provides a means to encourage communication and understanding between youth and the Police.

MRS. CHOW—: *Are there any specific programmes in the J.P.C. activities to emphasize its unique affiliation with the Police?*

SECRETARY FOR SECURITY:—Sir, by its very name, of course, it has affiliation with the Police. The intention, and indeed we are some way to achieving it, is to have a clubhouse, a J.P.C. clubhouse, in each district by the end of 1982. We have already got 11 and six more will be in action this year. As regards the specific programmes, these are organized by the Police Community Relations Officer and his staff, and take a wide variety of different forms of which I think the community, and certainly Mrs. CHOW, is aware. The active membership, as distinct from the total membership which I have given, is between 90 000 and 120 000 and on average about 250 activities are organized each week throughout the 17 Police districts.

The use of refrigerants in household appliances and air-conditioning units

4. MISS TAM asked:—*Since certain refrigerants (such as sulphur dioxide and ammonia) commonly used in refrigerators, household and motor vehicle air-conditioning units are highly toxic and lethal in case of leakage, particularly in confined space, will Government regulate or prohibit the use of such poisonous refrigerants in these appliances?*

SECRETARY FOR ECONOMIC SERVICES:—No, Sir, not on present evidence. The Economic Services Branch has received no complaints about refrigerants. And from a quick check with other branches and departments, it does not seem that they have either.

MISS TAM:—*Sir, is the Secretary aware of a reported case which occurred two weeks ago in which a young couple was found dead in a motor vehicle and the cause of death is suspected to be toxic poisoning and it may be due to a malfunction of the car air-conditioner?*

SECRETARY FOR ECONOMIC SERVICES:—Yes, Sir, I suspect my honouable Friend is referring to a tragedy that occurred on the 10 May. I understand from the Medical Department that the cause of death was the result of carbon monoxide, as a result of exhaust fumes getting inside the car.

Traffic flow in Central District

5. DR. HENRY HU asked:—*Will Government say what plans it has to improve the traffic flow in the Central District consequent upon the completion of the Eastern Corridor?*

SECRETARY FOR TRANSPORT:—Sir, the Government's plans to improve traffic flows in Central are, as elsewhere in Hong Kong, in three stages. First, to provide additional roads and road capacity, second, to maximize use of the new facilities and finally to control use if demand seems likely to overrun capacity.

The planning for the new central route was based principally on the 1976 Comprehensive Transport Study forecast that the existing road system could cater for only two-thirds of the traffic demand by 1991, even if measures were taken to restrict the rate of growth of vehicle ownership to 5% per annum. My speech in this Council on 5 May, proposing certain restraint measures, emphasized that the rate of growth has exceeded that level very substantially over the five years since the C.T.S. was completed.

The C.T.S. recommended that an elevated road be constructed from Harcourt Road to Hill Road, associated with widening and improvement of the roads at ground level. This elevated road proposal was shown on the Central District Outline Zoning Plan, to which a number of objections on environmental grounds were lodged with the Town Planning Board. In this connection, and with the aim of finding a solution both environmentally acceptable and adequate in traffic capacity terms to serve the further transport needs of the area, a special study of traffic on the Island's Northern Shore is to be carried out. The study will be conducted in conjunction with the study for the Mid-Level areas, as the traffic problems are interrelated.

Investigations have already begun into the feasibility of a new major coastal route westwards through Kennedy Town to Aberdeen.

Projects to improve the western approaches to Central have largely been completed, with the widening of Pok Fu Lam Road and the Hill Road flyover. The technically difficult last link, between Hong Kong University and the Elliott Water Pumping Station, is due for completion in 1985.

Other projects in Central include widening the upper section of Garden Road and a grade-separated interchange to link the Victoria Barracks development with Queensway, both by 1984.

The necessary traffic management measures will be incorporated in all these developments, details being decided in the light of traffic patterns and demand.

DR. HENRY HU:—*Sir, what is the present position regarding the proposed construction of the elevated highway along the waterfront of the Central District?*

SECRETARY FOR TRANSPORT:—Sir, I think I have covered that in the first reply. It rests really with the Town Planning Board and the further studies to which I have referred.

DR. HENRY HU:—*Sir, will Government consider restricting the type and the number of motor vehicles entering Central District, particularly during rush hours?*

SECRETARY FOR TRANSPORT:—Sir, I referred four weeks ago broadly to these problems. The answer is that at present we see no viable way of doing this which does not require excessive enforcement capacities and run the risk of evasion on a large scale, so I fear at the moment I do not see the possibility of such a scheme in the way envisaged by Dr. HU.

After-care services for discharged mental patients

6. DR. HO asked:—*Will Government make a statement on the provision of aftercare services for discharged mental patients?*

SECRETARY FOR SOCIAL SERVICES:—Sir, the Government's plans for the treatment and rehabilitation of the mentally ill are set out in Chapters 6 and 9 of the Rehabilitation Programme Plan, where the shortfalls in provision are also indicated.

Addressing Dr. HO's question more specifically I would say that a range of rehabilitation services is provided to integrate back into the community patients discharged from mental hospitals.

On discharge from hospital these patients are normally asked to attend psychiatric out-patient clinics for follow-up treatment and observation, unless other arrangements have been made for monitoring their progress. Thus the Community Work and After-care Unit of Castle Peak Hospital was established in 1977 to follow-up on selected patients discharged, until they became stable in the community. With the opening of the Kwai Chung Hospital a psychiatric community nursing service, based on the hospital, commenced work in April 1982 to provide after-care for discharged patients referred by doctors.

The estimated requirement for psychiatric consulting rooms is 42 and the existing provisions 29; this shortfall of 13 should be cleared by 1984.

In the social work sphere, half-way houses are provided for those patients who require a period of transition in open residential care to help them to adjust to a normal independent life in the community. The estimated requirement for half-way house places is 1 060, but the existing provision is only 322, and the shortfall is unlikely to be cleared before 1987-88.

Where a patient is discharged home, or to a half-way house, a social work counselling service is provided to assist him (and his family) to cope with emotional, social and environmental problems arising from his return to the community.

Two social clubs have been established in temporary premises for the former patients to prepare them for participation in the programmes available to the public at large in community centres. The standards of provision of these facilities will be reviewed this year with a view to their reprovisioning in permanent accommodation and a general expansion of this service.

For those former patients who are able to live independently, but who are unable to return to their family homes, the social workers looking after them will seek to have them accommodated in public housing, within the Compassionate Rehousing Scheme.

Job placements are arranged for former patients in open employment, where possible or necessary, while those who need a temporary period of work adjustment are placed in sheltered workshops in the first instance. It is expected that during 1982-83 the Selective Placement Service of the Labour Department will take over responsibility from the Social Welfare Department for the placement in open employment of the ex-mentally ill.

DR. HO:—*Sir, mental patients discharged from hospitals have been reported to have hurt or even killed people in their psychiatric breakdowns. Is Government satisfied that the after-care services at the out-patient clinics as mentioned in paragraph 3 of the answer are adequately provided to keep these breakdowns to a minimum?*

SECRETARY FOR SOCIAL SERVICES:—*Sir, no patient is discharged from a mental hospital unless the medical superintendent is satisfied he has made sufficient progress to be able to return to the community, so whilst it is regrettable that some former patients may have relapses, I am satisfied that everything possible is being done.*

REVD. JOYCE M. BENNETT:—*In paragraph 6, Mr. Ho referred to a social work counselling service. What happens when the patient does not accept this and fails to follow-up in the out-patient clinics?*

SECRETARY FOR SOCIAL SERVICES:—*Sir, we are a free society and the social workers and the medical staff concerned will use all their powers of persuasion to induce the former patients to come back for treatment.*

REVD. JOYCE M. BENNETT:—*Sir, will the Secretary for Social Services push the faster implementation of places in half-way houses. 1987-88 is a long way ahead. Is it possible to push this faster?*

SECRETARY FOR SOCIAL SERVICES:—*This is under constant review by the Rehabilitation Development Co-ordinating Committee and I might mention, Sir, that the R.D.C.C. has recently advised on revised manning scales which results in some improvements. I hope that with these improvements it will be possible to attract more people to come forward to operate more of these halfway houses.*

REVD. JOYCE M. BENNETT:—*Sir, in paragraph 8, the verb in line 3 is 'will seek'. This implies none has yet received compassionate housing. Is this correct? And, if not, how many ex-mental patients have received compassionate housing?*

SECRETARY FOR SOCIAL SERVICES:—Sir, in 1980-81 483 disabled persons were re-housed under the Compassionate Rehousing Scheme, of whom 183 were psychiatrically disabled.

Gas leakages affecting school children

7. MRS. CHOW asked:—*How many cases of gas leakage affecting school children have taken place in the last 18 months and what is Government doing to prevent future occurrence?*

SECRETARY FOR HOME AFFAIRS:—Sir, there have been 13 cases of alleged gas leakages affecting school children during the past 18 months.

A Monitoring Committee comprising representatives from ten Government departments was established in June 1980 to co-ordinate inter-departmental efforts and investigations and has produced detailed procedures for handling such incidents. The aim was to ensure the promptest possible remedial treatment for those affected and speedy investigation by experts at the location to identify the cause. The operational procedures are constantly reviewed and co-ordinated by the Commissioner for Environmental Protection.

All heads of schools and teachers have been fully alerted of these arrangements and are regularly reminded through General School Circulars and visits by district education staff and staff of the Advisory Inspectorate.

There is no uniformity about the sorts of accident which cause these incidents. While there can be no guarantee that future cases will not occur, the present system is considered adequate for monitoring any such incident and ensuring that prompt remedial action is taken in each case.

MRS. CHOW:—*Can any preventive measures be taken and are they being taken?*

SECRETARY FOR HOME AFFAIRS:—Sir, I think I can probably illustrate the difficulty by referring to some of these cases we have had over the last 18 months. In one it was a hydrogen sulphide emission from a fume cupboard in the chemistry laboratory of a neighbouring school. In one it was an L.P. gas leak from a couple of cylinders in a scrap yard nearby. In several cases the source could not be found. In one case there was a bottle of insecticide spilled on the ground outside the school. It is this sort of thing that leads to these incidents and it is impossible to foresee every accident that can take place near every school.

MISS DUNN:—*Sir, do the procedures that the Secretary for Home Affairs has just described prove to be effective in identifying causes and ensuring prompt remedial treatment in the three cases which were reported in the last few days?*

SECRETARY FOR HOME AFFAIRS:—Certainly the procedures went into action right away and those children who felt ill were examined. But finding the source of a whiff of a smell that comes and disappears very quickly is extremely difficult. In one case, we thought there were three possible causes: one was hydrogen sulphide coming from a ventilator fan in a fume cupboard in the chemistry laboratory, or it might have been an L.P. gas cylinder from an oven in the domestic science room, or it might have been the proximity of a refuse collection point, but we couldn't find out. That was in the Tak Oi School case. In the other incident which took place yesterday—there were two yesterday—again no definite cause was found but a filling station was having its petrol tanks filled up nearby and it may have been that.

MRS. CHOW:—*Can we be told why in almost all of these cases only school children are being affected and not everybody else?*

SECRETARY FOR HOME AFFAIRS:—I am afraid we cannot, Sir, I don't know.

Imprisonment of civil debtors

8. MR. PETER C. WONG:—*As Government agreed on 4 July 1979, that it would be preferable for the means and background of a civil debtor to be investigated before committing him to prison and proposed to institute a review of the present system, will Government inform this Council—*

- (a) the outcome of the proposed review; and*
- (b) the number of debtors imprisoned at the present moment and the total number since 4 July 1979?*

THE ATTORNEY GENERAL:—*(a)* As I informed this Council on 5 November 1980, I had sent to the Chief Justice for comment in September 1980 the proposal to which the present question refers. He obtained the views of the Judiciary who were firmly opposed to any change in the existing law and procedures. In these circumstances following receipt of that information, in January 1981 I appointed a Working Group comprising representatives of the Chief Justice, the Hong Kong Bar Association, the Law Society, the Director of Legal Aid, the Commissioner of Prisons (as he was then called) and the Commissioner for Inland Revenue. They took soundings among various organizations in the private sector and they examined procedures in different territories, Singapore, India, U.K. and, I think, some parts of America. I am informed by the Chairman that their report is now in draft and out for comment to the Members of the Group. I hope to receive the Report very soon.

(b) On 28 May 1982 there were 25 civil debtors confined in prison, and in the almost three-year period between 4 July 1979 and 28 May 1982 529 separate persons were imprisoned for debt during that period.

MR. PETER C. WONG:—*Will the Attorney General be prepared to let me have a copy of the report when it is ready?*

THE ATTORNEY GENERAL:—Yes, Sir.

Government business

Motions

DUTIABLE COMMODITIES ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—That with effect from the commencement of the Dutiable Commodities (Amendment) Ordinance 1982—

- (a) the resolutions made and passed by the Legislative Council on—
- (i) 24 March 1976 and published in the *Gazette* on 26 March 1976 as Legal Notice No. 89 of 1976;
 - (ii) 23 June 1976 and published in the *Gazette* on 25 June 1976 as Legal Notice No. 149 of 1976;
 - (iii) 24 May 1978 and published in the *Gazette* on 26 May 1978 as Legal Notice No. 104 of 1978; and
 - (iv) 23 July 1980 and published in the *Gazette* on 24 July 1980 as Legal notice No. 188 of 1980,
- be revoked; and
- (b) duty shall be payable on liquors, tobacco, hydrocarbon oils and methyl alcohol as follows—

DUTIES ON LIQUORS PART I—(EUROPEAN-TYPE LIQUORS)

Duty shall be payable on the following types of liquor at the following rates per litre measures at a temperature of 20 degrees Celsius—

<i>Type of Liquor</i>	\$
Brandy	27.05
Liqueurs, Whisky, Gin, Rum, Vodka and other spirituous liquors	21.00
Champagne and other sparkling wines	15.60
Still wines above 15% alcohol by volume	8.60
Still wines not more than 15% alcohol by volume.....	7.15
Still wines above 15% alcohol by volume imported in casks	4.95
Still wines not more than 15% alcohol by volume imported in casks.....	4.30
Intoxicating liquors in this Part above the strength of 45% alcohol by volume, for every 1% above such strength in addition to the duties specified above	0.55

Duty shall be payable on the following type of liquor at the following rate per hectolitre measured at a temperature of 20 degrees Celsius—

Type of Liquor

Cider and Perry and other similar beverages	88.00
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Duty shall be payable on the following types of liquor at the following rates per hectolitre measured at a temperature of 20 degrees Celsius—

<i>Type of Liquor</i>	<i>Hong</i>	
	<i>Kong</i>	<i>Other</i>
	<i>Origin</i>	<i>Origin</i>
	\$	\$
Beer, except Cider and Perry, not exceeding 1 030° original gravity	37.20	52.60
and in addition for every degree by which the original gravity exceeds 1 030°	1.24	1.24

PART II—(NON-EUROPEAN-TYPE LIQUORS)

Duty shall be payable on the following types of liquor at the following rates per hectolitre measure at a temperature of 20 degrees Celsius—

<i>Type of Liquor</i>	<i>Hong</i>	
	<i>Kong</i>	<i>Other</i>
	<i>Origin</i>	<i>Origin</i>
	\$	\$
Non-European-type wines	384.95	428.95
Non-European-type spirits including Chinese-type spirits, Sake, Arrack.....	192.50	217.80
and in addition for every 1% by which the alcoholic strength by volume exceeds 30%	7.90	8.80

PART III—(INDUSTRIAL-TYPE LIQUORS)

Duty shall be payable on the following types of liquor at the following rates per litre measured at a temperature of 20 degrees Celsius—

<i>Type of Liquor</i>	<i>Hong</i>	
	<i>Kong</i>	<i>Other</i>
	<i>Origin</i>	<i>Origin</i>
	\$	\$
Ethyl alcohol, and admixtures containing ethyl alcohol	1.90	2.15
and in addition for every 1% by which the alcoholic strength by volume exceeds 30%	0.08	0.09

Provided that the Director may assess the duty on—

- (a) intoxicating liquors not specified in Part I or II at the rate prescribed for liquor which in his opinion most nearly approximates to the liquor on which duty is to be assessed; and

- (b) any quantity of liquor of less than 10 litres imported at any time in one consignment at \$27.05 per litre.

DUTIES ON TOBACCO

Duty shall be payable on tobacco at the following rates per kilogram—

A—on UNMANUFACTURED TOBACCO—	\$
(1) Tobacco of Malawi origin	32.20
(2) Other tobacco	32.85
B—on MANUFACTURED TOBACCO—	\$
(1) Cigars	43.65
(2) Cigarettes	44.45
(3) Other manufactured tobacco including snuff and cigar cuttings—	
(a) Chinese prepared tobacco	8.15
(b) Other varieties	35.05

DUTIES ON HYDROCARBON OILS

Duty shall be payable on hydrocarbon oils at the following rates per litre—

(a) Light oils—	\$
Motor spirit and aircraft spirit	1.20
(b) Heavy oils—	
Diesel oil for road vehicles.....	0.35

DUTY ON METHYL ALCOHOL

Duty shall be payable on methyl alcohol and admixtures containing methyl alcohol at the rate of \$2.20 per litre measured at a temperature of 20 degrees Celsius and in addition, for every 1% by which the alcoholic strength by volume exceeds 25%, \$0.09 per litre.

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

It is intended that all references in the Dutiable Commodities Ordinance to non-metric units should be replaced with metric units.

References to imperial units of measurement in the Ordinance itself will be replaced by broadly equivalent or, where this would clearly be impractical, convenient metric units. Most of the necessary amendments will be effected by the Governor by an order under section 3 of the Metrication Ordinance. Certain amendments however fall outside the scope of the Metrication Ordinance and are provided for in the Dutiable Commodities (Amendment) Bill 1982.

But the actual rates of duty on dutiable commodities are determined by this Council by Resolution, and it is the purpose of this motion so to determine the new duties payable by reference to metric units.

The new rates of duty have been calculated so as to be neutral in their effect on the revenue. The conversions have been rounded off to the nearest five cents, for convenience, and the increase or decrease on any single category is generally less than 0.5%.

Sir, I beg to move.

Question put and agreed to.

CRIMINAL PROCEDURE ORDINANCE

THE LAW DRAFTSMAN moved the following motion:—That the Criminal Appeal Rules 1982, made by the Chief justice on 24 April 1982, be approved.

He said:—Sir, I move the motion standing in my name on the Order Paper. This seeks Members' approval of the Criminal Appeal Rules 1982 made by the Chief Justice on 24 April. Such approval, Sir, is required under the Criminal Procedure Ordinance before these Rules come into effect.

These new Rules which will replace Rules made in 1933 run to some 84 pages of typescript. They are concerned with procedural and related aspects of criminal appeals and deal with matters like the form of notices of appeal, records of cases, fees for transcripts, custody of exhibits, cause lists and so on.

The necessity to make the new Rules arose in the following way. The amendments made from time to time to the Criminal Procedure Ordinance, particularly the addition of several new sections, necessitate consequential amendments to existing Rules. Many of these are required simply to introduce references to the new sections. When it came to drafting the amendments, it was noticed that the Rules were out of date in numerous other respects and that quite a bit of their language was archaic. This had to be rectified for as we all know, Sir, archaic language is abhorrent to all lawyers and legislative draftsmen are no exception. It was decided then that it would be preferable to replace the existing Rules rather than to amend them to the very extensive degree that was necessary. The new Rules have enabled outdated references to be corrected, archaic language to be removed and forms to be simplified, particularly some forms that have to be completed by unrepresented appellants. But, Sir, there has been very little change of substance.

Sir, I beg to move.

Question put and agreed to.

First reading of bills

COMMODITIES TRADING (AMENDMENT) BILL 1982

ANTIQUITIES AND MONUMENTS (AMENDMENT) BILL 1982

INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL 1982

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

Second reading of bills**COMMODITIES TRADING (AMENDMENT) BILL 1982**

THE ATTORNEY GENERAL moved the second reading of:—‘A bill to amend the Commodities Trading Ordinance’.

He said:—Sir, I move the second reading of the Commodities Trading (Amendment) Bill 1982, which seeks to raise the maximum penalties which may be imposed for certain offences under the Ordinance.

Honourable Members will recall that on 13 August 1975 in this Council was passed a Resolution approving in principle the establishment of a Commodity Exchange, but that Resolution had a very important proviso to the effect that ‘legislative measures can be made and enforced effectively with particular need to minimize social hazards to the ordinary citizens of Hong Kong’.

Some two years later, early in 1977, the Ordinance came into full effect. The intention behind the Ordinance is to restrict dealing to registered dealers, and to control those dealers by suitable auditory and other rules for their management. Only suitable persons may be registered, and, in respect of them, there is a compulsory compensation scheme so that where, either through fraud or mismanagement, they either go out of business or fail to pay duly to their clients, the client may recover from the compensation scheme.

Experience of the operation of the Ordinance has, however, revealed a number of problems. Unfortunately the growth in commodities trading has led to the establishment in Hong Kong of a large number of unregistered dealers. The Commercial Crime Bureau of the Police estimate that there are at the moment between 100 and 150 unregistered dealers operating in Hong Kong. Each usually employs a number of sales representatives, who are themselves unregistered. Frequently the unregistered dealer is acting as an undisclosed principal, taking the trade risk upon himself because he cannot deal directly either upon the exchanges here or those abroad. Because of the fluctuations in price which occur both during the day and over short periods of days, it is not difficult for unscrupulous and fraudulent dealers to cheat their customers. Experience has shown that in a large number of cases when members of the public have dealt with unregistered dealers, the customer loses a significant proportion of his investment, and very often all of it. I hope that the Press will perhaps take this opportunity of drawing to the attention of the public the dangers they face when they deal with unregistered dealers.

Having operated in that way the unregistered dealers very rarely keep full and accurate books of account, or certainly when the Police has arrived, those books are not available for inspection. It is thus very difficult to show in the case of any individual client exactly what has happened to his investment, nor is it possible in many cases to prove with the necessary certainty in a Court of law that the unregistered dealer has been fraudulent. Investigations in cases have shown that very large sums of money have been deposited with such dealers by their customers. In a sample of 20 cases recently, a sum of over \$6.2 million had been deposited amongst those dealers, and in one individual and particular case, the dealer had over \$2 million of clients' money which had passed to him in quite a short period of time. If the dealer had been registered and not unregistered, the Ordinance would have required him to keep a segregated account, and he would have been obliged to keep records and audited accounts and invoices and so on. And the failure to do so attracts penalties under the Ordinance and possible de-registration by the Commissioner if breach is proved.

The Commodities Trading Commission, the Commissioner for Securities, and the Standing Liaison Committee on Commercial Crime all believe that this problem can best be tackled by discouraging unregistered dealers from trading by the imposition of heavy penalties on them when they are caught doing so. It is simple and quick and effective to prove that someone is unregistered, and then to punish him. It is far more difficult and time-consuming to obtain the necessary evidence to justify a charge of fraud against him. The strategy I would like to see adopted is to drive the unregistered dealers out of business by prosecuting them for not being registered. Unfortunately, in recent prosecutions for the offence of unregistered dealing, the Courts have imposed fines ranging between \$1,000 and \$3,500 for each offence in ordinary cases, and, in one particularly large-scale operation a fine of \$15,000. It may be that the reason for these comparatively low penalties is that the maximum fine at the moment is \$50,000 and there is no penalty of imprisonment attracted by this offence at the moment at all. Obviously, in view of the amount of money flowing through these unregistered dealers, such fines can be paid as it were out of the petty cash, and there are no disincentive to them dealing.

It is also an unsatisfactory feature of the penalty provisions in the Ordinance as they stand at the moment that there is no imprisonment for unregistered dealing whereas there is imprisonment for breach of the regulatory provisions that attach to registered dealers, so that in a way the penalty provisions make it more attractive to be an unregistered dealer because not only do you avoid all the regulations but also you avoid the danger of going to prison if you break the regulations.

The Bill, if passed, will tackle these problems by increasing the penalty for unregistered dealing to a maximum fine of \$500,000, together with a daily penalty of \$10,000 and/or imprisonment for five years for conviction on indictment, and a maximum fine of \$50,000 and a daily penalty of \$1,000 and imprisonment for one year for conviction before a Magistrate.

There is a further problem which experience has demonstrated which is this: dealers, whether registered or unregistered, often employ unregistered representatives. Sometimes these are naive young people who are employed so that the unregistered dealer may milk the funds of their relatives and once those funds are exhausted the young people sometimes find themselves quite quickly out of job. In other cases, unregistered dealers employ professional high pressure salesmen who work on a door-to-door basis or on the telephone to canvass for business. As one unregistered dealer is closed down these salesmen move on to another. Their customers are usually small investors with no knowledge or experience of what is in fact a highly technical and highly specialized market and they are persuaded to invest in those markets and very frequently lose their entire investment. Case histories have shown that the earnings of the salesmen are very large: it can be between \$20,000 and \$40,000 per month.

The present penalty for carrying on business as an unregistered dealer's representative is comparatively low, a fine of \$10,000 and a daily penalty of \$100. This is plainly inadequate and is a mere overhead to the professional unregistered dealer's representative. The Bill, if passed, will increase penalty to a fine of \$100,000, a daily penalty of \$2,500, and/or imprisonment for two years for conviction on indictment and a fine of \$20,000 and a daily penalty of \$500 for a summary conviction.

Sir, I also share the view of the Commissioner for Securities and the Commercial Crime Bureau that the level of profits made by fraudulent traders in this field is so great that the present level of penalties for fraud is also inadequate. Very large sums of money indeed are deposited with registered dealers. In the case of one registered dealer at the present time under investigation in respect of allegations of fraud, and whose work has been at the moment suspended by the Commissioner, commission in excess of \$2.8 million was deducted from his clients during a six-month period. There are at present eight registered dealers under investigation following allegations of fraud.

The present maximum penalty on conviction for fraud is a fine of \$100,000 and/or imprisonment for five years, and for the most serious fraud related conduct (by which I mean deliberate breach of the regulatory provisions with the intention of acting fraudulently) a fine of \$50,000 and/or imprisonment for five years. These fraudulent offences may, of course, be committed by a registered or an unregistered dealer.

The intention of the present Bill is to increase the maximum penalty for fraud to a fine of \$1 million and/or imprisonment for seven years and for fraud related conduct in respect of registered dealers to a fine of \$500,000 and imprisonment for five years.

I believe, Sir, that if this Bill is enacted and passed into law it will make much easier the task of law enforcement agencies preventing the activities of unregistered or of fraudulent dealers. I am confident that the Courts, if this Bill is passed, will wish to take into account, in future cases, the view of this Council

(which is manifested by the very substantial increase in the maximum penalties provided) that a serious social problem exists in Hong Kong in this field, and I hope that the Courts will consider acting accordingly.

I would lastly add, for the information of honourable Members, that currently a review of the operation of the Ordinance is under way, and that, depending on the results of that review, it may be necessary to propose in due course alterations to some of the substantive sections of the Ordinance.

Sir, I move that the debate on the second reading of this Bill be now adjourned.

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

Question put and agreed to.

ANTIQUITIES AND MONUMENTS (AMENDMENT) BILL 1982

THE SECRETARY FOR HOME AFFAIRS moved the second reading of:—‘A bill to amend the Antiquities and Monuments Ordinance’.

He said:—Sir, I move that the Antiquities and Monuments (Amendment) Bill 1982 be read the second time.

The principal purpose of this Bill is to introduce new procedures for giving interim protection to monuments while their future is being considered. There is suitable protection for rights of owners. The Explanatory Memorandum describes how the new procedures will work.

Protection for monuments is increased by requiring permission to be sought before using metal detectors in and round them and by increasing punishment for offences.

The Bill also consolidates authority in the Director of Urban Services and improves nomenclature and procedure.

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

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

Question put and agreed to.

INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL 1982

THE SECRETARY FOR HOME AFFAIRS moved the second reading of:—‘A bill to amend the Interpretation and General Clauses Ordinance’.

He said:—Sir, I move that the Interpretation and General Clauses (Amendment) Bill 1982 be read the second time.

The purpose of this Bill is twofold: *first* to clarify and update a number of definitions in the principal Ordinance and, *secondly* to introduce a new procedure for appointing advisory bodies.

The Explanatory Memorandum deals, I think, adequately with the reasons for amendments to the definitions proposed in clause 2.

The Explanatory Memorandum also explains the purpose of the creation of the power to appoint committees. Advisory Committees form an important part of the constitutional arrangements in Hong Kong but there is no uniformity in the way they are appointed. A great many of the more important committees do not even have a statutory existence. Although this does not impair the quality of their advice or the readiness of the Government to listen to it the institution of this new procedure will lead to greater consistency in appointment of committees and give a greater authority to their deliberations.

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

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

Question put and agreed to.

ESTATE DUTY (AMENDMENT) BILL 1982

Resumption of debate on second reading (19 May 1982)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

INLAND REVENUE (AMENDMENT) (NO. 2) BILL 1982

Resumption of debate on second reading (19 May 1982)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

ROADS (WORKS, USE AND COMPENSATION) BILL 1982

Resumption of debate on second reading (5 May 1982)

Question proposed.

MR. S. L. CHEN:—Sir, I rise to support the Roads (Works, Use and Compensation) Bill 1982.

In introducing the Bill on 10 March the Attorney General proposed that the second reading debate be adjourned for a period of about two months to allow the public full opportunity to make representations and also to permit Members of this Council to make a detailed examination of the Bill.

Since the adjournment both the Administration's Working Group and the Ad Hoc Group of Unofficial Members of this Council have been hard at work examining the Bill itself and the many representations on it which have been received from all sections of the community. However, before proceeding with my deliberation on the provisions of the Bill, on behalf of my Unofficial Colleagues in the Ad Hoc Group, I would like to take this opportunity to express our appreciation of the helpful attitude of the Working Group, who have responded positively to our comments and criticisms at all stages of our work, which has been a great help enabling us to complete our task as programmed. As a result, the Attorney General will be proposing several amendments to the Bill during its committee stage this afternoon. These amendments have the full support of the Unofficial Members of this Council.

Our first task as Members of the Ad Hoc Group was to grasp the nettle of the compensation principles embodied in this Bill. This issue has been extremely controversial and many representations on it have been made. Our final acceptance of these principles was based on three reasons.

Firstly, we believe that Government should not be in a worse position regarding claims for compensation than a private developer. For example, a private developer is not required to compensate the owners and occupiers of property in the neighbourhood whose view his new block obstructs. Secondly after having studied the provisions of the U. K. Land Compensation Act 1973, it was apparent that the compensation awarded for 'injurious affection' was on an extremely limited scale and provided no real legal precedent for the wide-ranging compensation proposals which have been suggested to us. Thirdly we took into account the provisions in the Bill which empower the Governor in Council to impose conditions which will ameliorate the effects of road-works on

the owners and occupiers of neighbouring premises. We consider this provision to be extremely important in that it provides the most equitable balance between public and private interests which is available in the Hong Kong situation.

In sum, therefore, having regard to Hong Kong's expanding population and economy, and the need to improve and develop the road system, we consider that the provisions of the Bill in respect of compensation are generally fair and just.

Having accepted this major principle the Members of the Ad Hoc Group then turned their attention to other areas of concern.

Firstly, we believed that the backdating of the Bill to the date of its gazettal, i.e. 19 February 1982, served no useful purpose and indeed could prove to be a complicating factor in the negotiation of claims for compensation during the transitional phase. We believe that the amendment which the Attorney General will move during the committee stage of this Bill will make the effective date of this Bill the date of its enactment. This will remove the suspicion which we have perceived to exist from our study of the representations on the Bill, that Government is trying by such backdating to frustrate the rights of individuals.

As a related matter we were concerned about the very wide powers of the Secretary to opt to proceed under the provisions of the Streets (Alteration) Ordinance or under the Bill, where a scheme had been gazetted but not approved. Clause 42(2) refers. We are, therefore, in support of the proposed amendment to clause 10 which will make explicit the right to object to any decision of the Secretary under clause 42(2), such an objection would then have to be considered by the Governor in Council.

Secondly, we shared the concern, voiced by many of the professional and other bodies, that the Bill, while providing the mechanism for approval of extensive roadworks, offered no real opportunity for a public representation by those affected. While we regard that it would not be right to oblige the Governor in Council to refer *all* such schemes to the Town Planning Board, especially where roadworks would have little environmental impact or where the urgent need for a new road militated against the lengthy process that the Town Planning Board necessarily entails, we believed that an avenue for public debate ought to be provided for in this Bill. We are pleased to note therefore that the Attorney General will be proposing an amendment to clause 11 which will make explicit the Governor in Council's power to refer any scheme, which in his opinion merits such treatment, to the Town Planning Board *whether or not* there is a Town Plan in existence for that area. We strongly support this proposal which will permit roadworks in areas of the New Territories not covered by a Town Plan to be considered, where applicable, in the context of public debate.

Thirdly, we noted with concern that where part of a claimant's land is resumed for roadworks and where land value in that area rises as a result of the

roadworks, any compensation for resumption would be reduced by the amount the remaining land had increased in value. On the other hand where in a similar case, land values had fallen as a result of the road, no additional compensation would be paid. This provision seemed to us to be fundamentally unfair—a ‘heads I lose, tails you win’ situation. We are therefore glad to endorse the proposed amendment to delete paragraph 3(2) of Part I of the Schedule which removes this inequitable provision.

Fourthly, we noted that in clause 37 there was no obligation on the Government to offer back to the previous owner land which had been resumed but subsequently not used for a roadworks scheme. This, in our view would have allowed the Administration an unacceptable freedom to dispose of such property in whatever way it saw fit. We welcome, therefore, the proposal in the amendment to be moved to clause 37, to commit the Crown to giving ‘proper consideration’ to offering back land in such circumstances to the person from whom it was resumed.

Fifthly, we were of the view that the provision in clause 22, which in effect permits the Building Authority to prevent building works on a site for a period of up to three years if such works are incompatible with the road works, was unreasonable. We believed that in circumstances where such time conditions were imposed, it was not fair to subject developers to loss, without compensation, for such an extended period. The amendment which the Attorney General will be proposing to this clause is welcomed by us. The amendment will allow in such circumstances any person with a compensatable interest in land so affected to apply to the Governor in Council to have his land resumed and if the Governor in Council considers that it would be equitable to do so, he may make an order for that land to be resumed.

Sir, the list of amendments which will be proposed by the Attorney General is an extensive one and to avoid making an unnecessarily long speech, I have confined my explanation to but a few important issues. I have said earlier that much work has been put into the study of this Bill by both the Administration and the Unofficial Members of this Council and as a lesson from this time-consuming exercise I would like to make a suggestion. Where in future controversial Bills such as this one are proposed, consideration should be given to their being initially published for information to enable members of the public to make representations and to ensure that sufficient consultation has taken place before the introduction of the Bill to the Council. This would obviate the necessity to make substantial amendments as in the present case during the committee stage.

Sir, with these remarks, I support the Bill.

MR. CHARLES YEUNG:—Sir, it is now timely to review our law on roadworks so that we may expedite our development programme for the benefit of the whole community.

I wish to comment on two aspects of the Bill which are not covered by the amendments to be proposed by the Attorney General later today.

Compensation for land resumed under this Bill is assessed under item 1 of Part II of the Schedule, based on the provisions of the Crown Lands Resumption Ordinance and payable to such persons as are entitled to claim under that Ordinance.

There has, however, been a long-drawn dispute between Government and owners of agricultural land over the controversial section 12(c) of that Ordinance which provides no compensation in respect of any expectancy or probability of the grant or renewal or continuance, by the Crown or by any person, of any licence, permission, lease or permit whatsoever.

However, in order to soften the full impact of section 12(c), Government has, by administrative means, been paying exgratia payments to owners and occupiers of agricultural land so resumed.

Therefore until section 12(c) has been amended, and I understand that the Administration is presently considering such a move, Government would be well-advised to adopt the practice of ex-gratia payment in resuming land under this Bill.

Secondly, in view of the discretion given to the Secretary for Lands and Works under clause 4 of the Bill, to close a road temporarily or permanently in the execution of minor works, the Secretary should, as a matter of policy, and administrative directive, consult local people such as the local District Board and rural committee before authorizing a permanent road closure.

With these observations and requests, I have pleasure in supporting this Bill.

MR. SWAINE:—Sir, the present Bill is an attempt to deal exhaustively with the rights of Government in the execution of road works, its impact on land owners and occupiers, and their rights. Where the works are minor the Secretary for Lands and Works may proceed to execute them within the narrow confines prescribed by clause 4. In all other cases he is obliged to prepare a plan (with annexed scheme) and give it due publicity. Persons affected by the plan may object to it whereupon the plan and the objections must be considered by the Governor in Council. Under an amendment which the Attorney General will propose in the committee stage, the Governor in Council may refer the plan and the objections to the Town Planning Board, who shall consider the objections in the usual way and thereafter report to the Governor in Council. This is an important provision for it will ensure a proper hearing of objections in appropriate cases. It is note-worthy that the power of referral applies even where there is no town plan, and the change therefore goes further than the Town Planning Ordinance itself envisages.

Upon the final approval of the plan, the Governor may resume private land for the purpose of implementing it, subject to the payment of compensation.

Such compensation has to be assessed as if the claim were made under the Crown Lands Resumption Ordinance, subject however to clause 3 of the Schedule which would have reduced the amount of compensation payable if the claimant owned other land which appreciated in value because of the proposed road works. Objection was taken to this clause because no corresponding provision was made for increasing resumption compensation where the claimant's other land had depreciated in value, and also because, in the absence of a general scheme for imposing a levy on owners whose land appreciated as a result of road works, the effect of the clause would have been to impose an indirect levy on the owner whose land had been resumed. It is accordingly proposed to delete this part of clause 3 in the committee stage.

The following are some of the other highlights of the Bill. Clause 15 authorizes the creation of easements in favour of the Crown subject to the payment of compensation. Clause 17 authorizes the closure of roads, reclaiming of Crown foreshore and sea-bed, and the modification of rights relating to them, subject to the payment of compensation where private rights are affected. Clause 19 authorizes the Secretary to enter land described in the scheme for the purpose of site investigation and similar activities, again subject to compensation where loss results. Clause 22 contains an important power in favour of the Building Authority to refuse approval of plans in respect of building works within the scheme which would be incompatible with the proposed works or use. Alternatively the Building Authority may require that the plans be amended, in which case compensation is payable for the owner's additional expenses. Where building works are effectively delayed for three years, the owner may require that his land be resumed. Under an amendment to be proposed at the Committee stage, the owner may apply to the Governor in Council for an earlier resumption and thus not have to wait out the three year period. Clauses 25 and 26 caused me some initial concern as appearing to shut out the Courts altogether but on further examination they do not exclude Judicial Review as a means of keeping administrative action within the bounds of the statute and of ensuring due process. I believe that the Attorney General is of the same view.

The matters in respect of which compensation is payable are closely and clearly spelt out in the Schedule to the Bill. The underlying principle of compensation is throughout that compensation is payable for direct loss, whether it be in the nature of damage to property, or disturbance of business. No compensation is payable for inconvenience, loss of amenities or loss of view, although the Governor in Council may order the carrying-out of remedial works such as double glazing or sound-proofing at public expense to ameliorate such effects. Under the Streets (Alteration) Ordinance which is to be replaced, the owner or occupier of affected property may claim compensation for any pecuniary loss or damage to such property which is likely to be caused by a proposed undertaking. The ambit of this provision is unclear, and we have been assured by the Administration that it has not been the subject of a judicial determination, and further that those relatively few claims that have been

pursued were settled by negotiation on compensation criteria that would not be excluded under the present Bill. I myself take the view that the qualifying word 'pecuniary' cuts down the scope of this provision. I do not think that the Land Compensation Act, 1973 in England really advances the case for enlarging the scope for compensation as the Act is of limited application both as to the type of actionable loss and the parties who may claim. What has weighed with me is the consideration that in Hong Kong, a private owner may not claim against his neighbour for loss of amenities, and I do not think that Government road works should be worse off.

Sir, with the amendment proposed to be made in the committee stage I support the motion.

THE ATTORNEY GENERAL:—Sir, I would wish to thank my honourable Friend Mr. CHEN, Mr. YEUNG and Mr. SWAINE for the observations they have made. I think also I should thank them for the care that they and other Unofficial Colleagues have given to the consideration of this Bill. It may not be generally known or appreciated that they held, I think, 11 meetings each lasting for several hours and as a result have, attenuating my view and that of the Administration, identified some areas of improvement in the Bill, the nature of which they have explained. Mr. CHEN in his speech at the end made the suggestion that consideration should be given to publishing a bill prior to the debate opening upon it. I am sure the Administration and the Governor in Council will consider that idea. I would respectfully suggest there may be occasions, of which I would submit this is one, where it is beneficial that the Member handling the Bill should explain to this Council the reasons and the policy underlying it and that, as is done in this case, the debate *then* be adjourned so that people may consider the Bill, I don't say at their leisure but, at any rate, with more leisure than we sometimes have, but against the background of why the Administration seeks to bring it forward. Sir, I cannot give to Mr. CHEN the promise which perhaps he might wish.

Question put and agreed to.

Bill read the second time.

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

FERRY SERVICES BILL 1982

Resumption of debate on second reading (5 May 1982)

Question proposed.

MISS DUNN:—Sir, the Unofficial Members' Community Services Group has considered the Ferry Services Bill 1982 and took note of certain representations from the ferry companies. We met with the Secretary for Transport and his colleagues to discuss several points of principle as well as a number of drafting points.

The purpose of this Bill is to replace the three existing ferry services ordinances with one new Ordinance which will cover all aspects of franchised and licensed ferry services.

As regards franchised services: the two major operators, the 'Star' Ferry Company and the Hong Kong Yaumati Ferry Company have both expressed concern about the powers of direction contained in the Bill. In particular, they are concerned that they may be directed by the Government to operate routes in the public interest which may not be profitable. Given that their services are public transport services operated on a monopoly basis, the Government should, in the interests of the travelling public, exert a degree of control over the provision of such services. While some routes may in themselves be unprofitable, this has to be looked at in the context of the company's overall profitability. In other words, a degree of cross-subsidization between routes must be accepted.

There was also concern about the Government's power to direct the type of vessels to be used for it was felt that as long as the companies accept direction on capacity and frequency, the types of vessels to be used should be decided by the companies on the basis of normal commercial principles. The Government argues that this power is necessary for reasons of safety and to ensure that demand is met and has pointed out that the Bill only provides for the power of direction to be exercised in respect of vessels within the companies' *existing* fleets. In other words, the Commissioner for Transport will not be able to direct the companies to purchase certain types of vessels. This will still be for the companies to decide.

While the companies' concerns about these powers of directions are understandable, the provisions in this Bill are similar to those in other Ordinances governing public utilities. The Government has assured us that in exercising the power of direction, there will be close consultation with the companies concerned. In addition, clause 16 provides a safeguard in the form of appeals should the companies object.

At the end of the day, the basic philosophy of giving private enterprises the freedom to operate efficiently and profitably must prevail and I am sure that it is not the Government's intention to tamper with that freedom.

Part VI of the Bill empowers the Commissioner for Transport to grant ferry licences to enable non-franchised operators to run ferry services between specified points. There are no provisions for competitive tender where there is more than one applicant and no appeal procedures for aggrieved unsuccessful applicants. We consider that this may provide possible opportunities for

corruption. Furthermore, although licenced services are limited at present, their number may grow in the future especially to meet the demands of more remote routes where it would be uneconomic for franchised ferry services to operate. It is our view, therefore, that tendering and appeal provisions should be included in the Bill and we are pleased that the Secretary for Transport has agreed to do so.

The congestion on our roads today provides ample justification for using the harbour of Hong Kong more imaginatively: there is far less congestion in our waters and it is possible to travel from point to point mostly without stops and in a straight line and generally in more comfortable and less polluted conditions. I believe that the ferry mode of transport should be encouraged. In doing so, it is necessary to meet and accommodate the operators' requirements, such as the provision of piers speedily. I say this because I am concerned at the number of Government departments involved in the operation of ferries: Transport Department, Marine Department, Engineering Development Department just to name a few. It is essential that the legitimate interests of these departments are co-ordinated in such a way that operators' legitimate requirements are met expeditiously.

With these observations, Sir, and subject to appropriate amendments at the committee stage to provide for tendering and appeal procedures for licensed services, I support the Bill.

MR. ALEX WU:—Sir, in declaring my interest in this Bill, as a director of the Hong Kong and Yaumati Ferry Company Limited, I would like to point out that, in fact, that Company will not have a direct interest in this legislation until, or unless, it applies for and receives a new franchise.

I feel entitled therefore to address myself to the general effect which these proposals might have on waterborne public transport and the implications which they might have for the relations between Government and public utilities of all kinds.

Ferry services have been a vital part of the public transport system throughout the whole history of this community. I suppose, indeed, that in some form or other they were for a long time our only public transport. The sedan chair disappeared some 20 years ago and the rickshaw is little more than a curiosity; but while those succumbed to technological progress, ferries have advanced to a point where they are at least as sophisticated as any other form of transport. Their importance to the social and economic life of Hong Kong cannot and must not be underestimated.

Of course the enormous and expensive development of other transport has had an effect on passenger figures but ferry services in Hong Kong still carry nearly 174 million passengers a year, having declined some six and a half per cent in the last five years. It is in the Government's hands to determine whether this asset should be wasted.

The six and a half per cent decline over five years does not by any means represent only a free choice by passengers. It reflects decisions taken by the Government in such matters as feeder services which directly affect the public's freedom to choose. It also reflects Government policy over piers and other facilities and Government action, or the lack of it, over pier and waterside development which affect the efficiency, convenience and comfort of ferry travel less directly but no less certainly.

For 20 years or more we have talked integrated public transport but no one would dare claim today that we have an integrated system or an integrated policy. What we see today is a much more chaotic picture. We pin our hopes on the M.T.R. and the very size of that investment creates its own momentum. Because the Corporation must meet gigantic costs it clearly exerts a leverage in public transport planning which is greater than would be the case if the issues were determined only on grounds of public transport demand.

As a result there is an endless patching together of compromises and half-measures which solve nothing and please nobody, least of all the travelling public.

The potential for the development of a diversified public transport system, on a statistical basis alone, and leaving aside passenger preferences, can be judged from the fact that over the five years 1976 to 1981 total public transport passenger journeys increased by more than 44%, and until the opening of the M.T.R. towards the end of the period, the increase was spread fairly evenly among the other ten forms of public transport.

Additionally, as far as ferries are concerned it should be remembered that for many people a ferry is still their only form of public transport, as it is for certain types of goods vehicle.

It is essential that Government intervention, whether in the 'management' of routes and equipment, or in the financial affairs of public transport should not continue to erode the confidence or viability of the companies. On the present record there is little reason for optimism.

This Bill represents yet one more attempt by the Government to sort out its relations with the companies which operate public services.

It includes provision for a scheme of control on profits and I have no doubt that there would be widespread interest in the terms of such a scheme, considering not only the public interest in existing schemes of this kind but the experience of the various utility companies on the extent to which these schemes inhibit investment and limit their ability to meet the demand for their services.

The Bill also provides for the appointment of two Government directors to the board of a franchised company. This has become accepted in such situations but I don't think that the Government has actually faced up to all the implications of these appointments.

In this case it is proposed that the directors should 'primarily represent the interests of the Government'. That is at least direct. But it is still not clear in the context of the operation of a public company how such directors should exercise their responsibilities as members of a board responsible under law to their shareholders.

These problems come into sharper focus when we turn to the proposals enabling the Commissioner for Transport to give direction to a Company on quite specific matters of management. He would, for example, be empowered to direct a company to introduce a completely new ferry service on a temporary basis—temporary meaning up to 24 months. He could determine, over the heads of the management, the frequency of a service and even the type of vessel.

The Bill makes no provision for compensation to a company which, under direction, operates a service which cannot pay for itself—in marked contrast to the M.T.R. which need only comply with such directions 'so long as it is fully compensated by the Government in respect of any direction requiring the Corporation to act contrary to prudent commercial principles'.

Presumably the Government expects to rely on the theory of cross- subsidization. In fact, as opposed to theory, there may be little scope for cross- subsidization which assumes either that there are more profitable routes than unprofitable ones or that the fares on some routes are so high and they are so profitable that there is a pool of money to finance other routes.

This, of course, is not true and the Government knows it. Indeed a company under a scheme of control limiting its profits could hardly ever be in such a position and could only subsidize a new unprofitable route by raising fares on others. Is that what the Government intends and would the Commissioner direct a franchised company to do so?

These are some of the very real circumstances which surround the proposals made in the legislation. They are not academic questions. Although no ferry company will be operating under the new terms until the present franchises expire at the end of this month, they are matters of important principle and practical management. They have implication for the future control of all public services and would have an impact on the future of waterborne public transport. I hope that they will be given serious consideration.

The Government is desperately groping for solutions to transport problems. For at least half a million people the waterways are already their highways. The Government should be actively encouraging this development.

Sir, in the circumstances, I shall abstain in the vote.

MR. F. K. HU:—Sir, I rise to support the Ferry Services Bill 1982 which is enacted to govern all major and minor ferry operations.

Clauses 8 and 30 of this Bill provide that the grantee or licensee, which may be a company, shall not transfer its franchise or licence without the approval of

the Governor in Council or the Commissioner respectively. There is no provision in the Bill to restrict the grantee or licensee to sell the company to another party. There is also the possibility of the grantee or licensee being taken-over by others. In either case, the management of the company will actually change hand and the franchise or licence is in reality transferred without the necessity of approval by the Governor in Council or Commissioner. The Administration would not be in a position to prevent such occurrence under this Bill if the principal shareholder of the other party, who could use the name of nominee, is of dubious or unknown background and yet he appoints directors in accordance with clause 9 of the Bill in the case of a grantee. Long term forward plans might be affected and consequential disruption of ferry services could occur.

Provision is made in the Bill for the introduction of a profit control scheme with the approval of the Governor in Council. There will be profitable routes and unprofitable but socially desirable ones. Cross-subsidizing is necessary as long as the overall profit is within reasonable control. However, the grantee should be allowed to use its prudent commercial experience to ensure efficient operation through proposing appropriate fares, frequencies and capacities of various routes without incurring excessive cross-subsidy. Excessive cross-subsidy may result in increasing fares in some profitable routes to such a high level as to act against the interest of the commuters on such routes that passengers might switch to other modes of transport.

Sir, with these remarks, I support the Bill.

SECRETARY FOR TRANSPORT:—Sir, I rise to move the second reading of the Ferry Services Bill 1982, and to say that at the committee stage, I shall propose some amendments, as tabled before Members. May I thank Miss DUNN and Mr. F. K. HU for their supporting speeches.

The amendments in respect of clauses 12(2), 22(3) and 23(1) make these clauses clearer and more precise.

The amendments in respect of clauses 18(1) and 18(4) are corrections.

New subclauses 28(6) and 28(7) are proposed on the suggestion of Unofficial Members, with which I readily agreed. The first requires the Commissioner for Transport to deal with applications for ferry licences by way of public tender in cases where two or more persons apply, or are likely to apply, separately for a licence to operate substantially the same ferry services between the same points. The second makes provision for appeal by any person whose application for a licence is not granted by the Commissioner.

Miss DUNN has expressed concern over the number of Government departments involved in the operation of ferries, in the particular context of the provision of ferry piers. I can only say that those departments having responsibilities which necessarily, and I think properly, require them to be

involved in the provision, maintenance and operation of ferry piers must be so involved. The inspection of plans of such piers is undertaken by the Engineering Development Department; the responsibility for ensuring that marine safety requirements at these piers are met rests with the Marine Department, and the responsibility for overseeing that these piers are capable of meeting passenger demand rests with the Transport Department. I do not think it would be efficient, or more efficient, if the specific professional responsibilities of any of these departments were exercised on their behalf by another department. Having said that, I do, however, assure Miss DUNN, and I think that is the thrust of her argument, that the number of departments involved in the exercise of responsibility over ferry piers, and over other aspects of ferry services, should be kept to the minimum, and operational co-ordination lies with the Commissioner for Transport under the policy supervision of the Secretary for Transport. We shall do our respective and collective best.

In noting, Sir, the interest declared by Mr. Alex WU, but that the Hongkong and Yaumati Ferry Company 'will not have a direct interest in this legislation until or unless it applies for and receives a new franchise', I am bound to point out that that company is now in the final stages of discussion with the Government over the detailed provisions of a new franchise, to be operated in conjunction with this legislation under debate and to be effective from the beginning of next month.

His was a hard-hitting speech indeed. I am glad to see, however, that he has separated ferries, as a mode of public transport, from sedan chairs and rickshaws. Government has not recently been seriously tempted to include the latter two modes in its plans for an integrated public transport network (*laughter*). I take issue however with his statement that 'no one would dare claim today that we have an integrated transport system or an integrated transport policy'. He would, I am sure, expect me to take issue with that.

It is perhaps easy for him to fall into the temptation of describing as 'an endless patching together of compromises and half-measures which solve nothing and please nobody least of all the travelling public' a system which in fact represents a painstakingly careful dovetailing of public needs and private interests in the transport field. Such a system is, Sir, bound to contain a significant element of compromise and it is apparently that element to which Mr. WU takes exception. As to his claim that the least pleased by this system are the travelling public, may I point out that an important objective of this Bill is an increased recognition, in this compromise, of the interests of the travelling public. I would en passant be glad to know how Mr. WU would otherwise have provided for the total public transport journeys we now need to cater for, which the M.T.R. and the expanded K.C.R. have taken up and will further expand to cope with, along with the expansion of other modes of transport—I really don't think you could have got them all on the water (*laughter*).

Mr. WU has asked, in relation to the proposed provision that two Government directors should be appointed to the board of a franchised

company and should 'primarily represent the interests of the Government', how such directors should exercise their responsibilities as members of a board responsible under law to their shareholders. I advise, Sir, that providing that Government-appointed directors 'shall represent the interests of the Government reflects the intention that the interests of the public in the provision of important public services should be effectively represented, to the extent that if those directors who are appointed by the Governor find themselves in a situation where the interests of the public conflict with the interests of the company, they must give priority to the former. Although the statutory duty of the Government-appointed directors to represent the interests of the Government overrides their duty to represent the interests of the company as a whole, this only applies where the interests of the Government and of the company are in conflict. It follows that such directors have all the obligations and duties of an ordinary director save and in so far as these conflict with their primary duty to represent the Government, that is, public interest—but I do admit they are muddy waters.

Concerning the point raised by Mr. WU in connection with the proposals for the Commissioner for Transport to give directions to a franchised ferry operator to introduce new ferry services on a temporary basis, may I point out that I did answer this point at some length at a meeting of the Legislative Council Community Services Group chaired by Miss DUNN in the UMELCO Office on 7 May. Mr. WU was unfortunately not able to be at this meeting but I understand that he has seen a copy of the minutes.

Briefly, the answer to his point is that the Commissioner is required under the provisions of the Bill to consult with the ferry operator before giving such directions, and the Bill also contains provisions whereby the operator may appeal up to the Governor in Council against such directions, and further those directions do not come into effect while an appeal is being considered. And may I add, Sir, that 'temporary' is defined in clause 16 as 12 months and not 24 months as Mr. WU has thought.

In my speech introducing this Bill on 5 May, Sir, I made specific reference to the question of franchised ferry operators being required to operate some routes which may not in themselves be profitable. I do not propose to add much to what I have already said. Such requirements will be operated in good sense and I am sure will be marked by the excellent co-operation which has long existed between the Companies and the Government.

Mr. F. K. HU has noted that it is possible that the management of a company which is a grantee or a licensee under the provisions of this Bill may actually change hands. Again, Sir, I have dealt with this point at the meeting in the UMELCO Office on 7 May to which I have earlier referred. The point here is that, even if such a company does change hands in this way, it will, as a grantee or licensee, remain bound under the provisions of the Bill to provide a proper and efficient public transport service, and it will remain bound to observe the full conditions of the franchise or licence. Finally, Sir, debate on this

Bill does go wider than ferry services but I would like to pledge the continuing commitment of the Government to encouraging the development of ferry services as an important mode of public transport.

Sir, I beg to move.

Question put and agreed to.

Bill read the second time.

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

(4:21 p.m.)

HIS EXCELLENCY THE PRESIDENT:—At this point Members might like a short break. Council will accordingly resume in fifteen minutes.

(4:36 p.m.)

HIS EXCELLENCY THE PRESIDENT:—Council will resume.

MOTOR VEHICLES (FIRST REGISTRATION TAX) (AMENDMENT) BILL 1982

Question proposed.

MISS DUNN:—Sir, the Unofficial Members' Community Services Group spent many soul-searching hours deliberating not only on the actual tax and fee increases proposed in the three related Bills on today's Order Paper, but also on *whether* they were needed; *whether* they would achieve their alleged objective; *whether* a preferable and more effective alternative method of achieving that objective was available; and, if not, *whether* the package of fiscal measures proposed was being properly combined with other, complementary measures; and, finally, *whether* transport policy was being accorded due priority. We also met with the Secretary for Transport and other officials concerned with transport matters. Although we received very few representations from members of the public—and, to our surprise, none at all from motoring organizations, we have monitored closely commentaries in the media.

Congestion and Fiscal Measures

Our impression is that the reaction to the Government's package of fiscal measures ranges from strong opposition to unqualified support. Even so, there is general agreement that congestion has reached really serious levels. There is general concern about the attendant effects of congestion on business and

industrial and social and domestic life. And a substantial majority believe that the growth in private cars has to be somehow slowed down.

I agree with this majority for the problem of congestion cannot be solved by road-building and improvement programmes and the introduction of more sophisticated traffic management systems alone. They are, indeed necessary. Yet there can be no escape from reality and the reality is that, in our geographic and demographic circumstances, coupled with the growth rate of real incomes experienced in recent years, such programmes and management systems will always tend to accommodate additional traffic rather than reduce congestion.

So the growth of private cars must be slowed down. But even the substantial majority who agree are sharply divided on how this should be done; many and varied ideas have been put forward in lieu of fiscal measures. Most, if not all of them, have already been looked at but discarded by the Government, at least for the time being. The trouble with direct, or quantitative, controls on new registrations and usage is that they are *either* less likely to be effective here *or* are impractical *or* would be very difficult and expensive to enforce. I can understand, therefore, the reasoning behind the Government's decision to invoke the price mechanism as an anti-congestion weapon in the first instance, particularly as the incidence of fiscal levies has actually declined in recent years. I would add that I do not think it is very helpful for critics to dismiss this weapon on the grounds that it is fiscally inequitable; it *is*, but one cannot ignore the importance of the social benefits that will flow from a speeding up of public transport movements.

But the question remains: will this package of fiscal measures succeed? The extent of the proposed increases in First Registration Tax, annual licence fees and duty on petrol is such that they are likely to have an initial impact in that they will discourage some from buying new cars or continuing to own cars. There is already evidence that this is happening. But, when real disposable incomes are on an upward trend, the increases proposed will become less formidable over time. The Secretary for Transport himself warned that this package is 'unlikely to prove the ultimate solution'. So, I question whether the Government shouldn't also impose some form of direct limitation on numbers and on usage.

Need for a Comprehensive Package of Restraint Measures

The Secretary for Transport admitted that a direct limitation on numbers would be the most effective way of getting the growth rate of private cars down to the target growth rate of 5%. But then he went on to say that 'it is considered undesirable to deny aspirations of ownership completely, and Government considers, therefore, that other measures should be tested before direct restraint on ownership is resorted to'. This statement typifies an attitude of mind which prevails in the Government on transport matters, that is to say, a reluctance to get to the heart of the problem leading to a retreat into piece-meal and half-measures. Such an attitude of mind has been at least, in part, responsible for the state of the roads today. It is arguable, in any case, whether aspirations of

ownership would be frustrated *more* by limitations on numbers than by really severe fiscal measures; and, if the increases proposed in First Registration Tax, annual licence fees and duty on petrol are not severe enough to be effective, time will be lost, spending patterns will be unnecessarily distorted and the only beneficiary will be the Treasury.

I am not unaware of the predicament of those concerned with transport policy: they are bombarded with advice, much of it of the unhelpful variety, and assailed with vituperative criticism. But, in the long run, robust solutions are likely to be less troublesome than timid ones, and I think it is self-evident that a coherent transport policy must comprise several inter-related elements. For example, even a comprehensive package of fiscal measures and direct limitations is unlikely to reduce congestion significantly unless the problems of taxis, light goods vehicles and parking facilities are also tackled. And yet, we are told that no policy decisions have yet been taken in respect of taxis and light goods vehicles and a paper on parking policy will only be ready in two months' time, three years after the publication of the White Paper on Internal Transport Policy. Indeed, I feel bound to ask why some of the recommendations in the Comprehensive Transport Study completed in 1976 have not been acted upon long'ere this. This passage of time inevitably increases the difficulties of developing and implementing an anti-congestion policy for the measures themselves have to be more draconian. Here again, however, I must admit that, whereas the Government is vulnerable to criticism when it acts *after* the event, it is difficult to convince many people of the need for unpopular measures *before* the event.

Nevertheless, the Government has a duty to demonstrate, in a practical way, that it does have a sense of anticipation. I think it has failed to do so and, furthermore, I am doubtful whether the decision-making process and monitoring procedures in respect of major projects are adequate. We were told just a few weeks ago in this Council that a decision on a second harbour crossing has yet to be taken, even though the Cross-Harbour Tunnel has already reached its full capacity. The White Paper anticipated that this decision would have been taken in 1981. The White Paper also envisaged that by 1981 the Airport Tunnel would have been opened; that the full six-lane Tuen Mun motorway would be in operation; and that, by 1983 (i.e. next year), a Light Rail Transit system would be functioning on Hong Kong Island. Other studies promised a Light Rail Transit system in the Tuen Mun/Yuen Long area in 1983. While I fully accept that slippages are inevitable, a sense of urgency seems to be lacking in the implementation of these projects.

Priority of Transport Policy

This brings me, Sir, to my final point. A transport policy which is coherent and prosecuted with vigour by those directly concerned may not be all that is required for this decade. I believe that the time has come to confer on the development of the transport infrastructure and the operational services an absolute priority in terms of both administrative attention and financial

resources. Only when the Government convinces the public that transport has such a priority, can we expect the public to have patience and understanding. I am not unaware of the progress made in the last few years to improve our transport situation. The construction of the M.T.R. and the electrification of the K.C.R. are just two examples of many. But in this decade, transport should be accorded a higher priority than hitherto. Some restraints on the growth of private cars by whatever means are inevitable in our geographic and economic circumstances. This means that there is bound to be an element of unavoidable injustice in that those who have looked forward to buying their first car will be penalized. The consequent obligation upon the Government is inescapable: it is to provide them with reasonable alternatives, that is to say; with enlarged public transport systems operating within an adequate infrastructural environment and with relative freedom of movement. It is surely self-evident that mobility is vital to the economic prosperity and social stability of this community.

With these observations and reservations, Sir, I support this particular motion and will also be supporting the second reading of the other two related Bills which follow on the Order Paper.

DR. FANG:—Sir, I am in support of the Government's determination to relieve road congestion by drastic measures. But I would hasten to add my reservations in respect of the Motor Vehicle (First Registration Tax) (Amendment) Bill 1982 because of its impact on prospective disabled driver car owners.

There are at present some 316 licensed disabled drivers, over half of whom own cars. At the same time, there are over four hundred disabled persons holding provisional driving licences. It requires little imagination to appreciate that in the absence of alternative modes of travelling with adequate facilities specifically designed to suit the needs of these persons, a private car is the only means of transport and indeed to some of our disabled workers an absolute necessity. The impact of the present Bill on disabled drivers thus requires no elaboration. I am sure many will agree with me that it would be blatantly unjust not to offer some form of concession for such persons as regards first registration tax.

My support for these measures, Sir, will therefore depend on Government's willingness to consider the interests of this small handicapped minority.

MR. ALEX WU:—Your Excellency, the Government will be well aware by now that the dawn raid, which the Secretary for Transport carried out in the early hours of May 5, had all the shock effect it was evidently intended to have.

While I do not share all the sentiments of those who have reacted so angrily I believe that the proposals which we are now able to debate publicly have far reaching and even dangerous implications which must be examined with the utmost care.

It is ironic that the measures now under debate should have first been made known in the form of a series of Public Revenue Protection Orders. While we recognize those orders to be a normal procedural device the title aptly draws attention to the first aspect of the matter which must cause disquiet: The public revenue is not at issue.

For the first time, as far as I know, it is proposed that this Council should endorse the use of taxation other than for the purpose of raising revenue.

Did not the Financial Secretary, sitting then as one of us, say that he rejected this form of taxation on grounds of 'equity and logic' and tell us that he had never forgotten the sense of freedom he acquired with his first motor car? And has not the Chief Secretary when he was Financial Secretary implied on more than one occasion his reluctance to do what is now proposed? It is in fact only 15 months since the then Financial Secretary addressed himself to this issue in this Council. I will quote exactly what he said:—

'I do not wish to be drawn into arguments about which of the three imposts borne by private motorists, namely, First Registration Tax, annual licence fees for vehicles and drivers and excise duty on hydrocarbon oils, would be the weapon most likely to be effective in any attempt to ensure that available road space is used as effectively as possible as our public transport services are diversified and improved or, indeed, into an argument as to whether any of these weapons should be used.'

And, he added a footnote (*laughter*) which has a poignant and haunting sound today: 'Particularly when account is taken of the recent increases in the before-tax prices of petrol and automatic diesel oil.'

Well, he has certainly been drawn into the argument now, and with a vengeance. It is not a question now of 'which of the three' but of all three.

In his speech on the first reading the Financial Secretary simply said he had been persuaded to abandon his principle. Despite his references to annuality, macro-economics, prudence, empiricism (which he commended) and hypothecation (which he rejected) he did not really explain why. I must tell him that firm adherence to principle has been the major strength of this Government's successful management of the economy and there will be a distinct sense of unease if we seem to be departing from that general principle or if he himself is seen too often to be modifying the philosophies and policies he laid out so cogently in his first budget. We have still to be told what led to this precipitate action.

I do hope that the Chief Secretary and the Financial Secretary will tell us in the course of this debate what happened to change their minds so radically in such a short time. It can hardly be a sudden realization that the numbers of vehicles on the road are continuing to increase.

In that same speech, in another footnote, the Chief Secretary quoted 'just for the record' the percentage increases over the past four years, and there has not

been a dramatic change in the trend since he spoke. Perhaps the sudden realization is that we have failed in so many of our other transport management efforts.

These proposals put us on a slippery slope and if that is thought to be an exaggeration let me draw attention to a convenient and relevant example.

Singapore has employed similar punitive taxation for some ten years with the same purpose. Since 1972 there has been a 45% import duty on the value of a private car as determined by the Registrar of Vehicles. When this did not have the desired effect the Singapore Government raised the Additional Registration Fee from 55% to 100% in 1975. In 1978 it was raised to 125% and in 1980 to 150%.

With what effect?

There was a 4.6% reduction in the number of cars in 1976 and a 0.4% reduction in 1977. Once the initial shock was over the number began to increase again: by 1.7% in 1978, 4.5% in 1979, 6.3% in 1980 and 5.97% in 1981.

A report commissioned by the Singapore Government and published only four weeks ago indicated that registration fees and road taxes would have to be raised another 50% by 1990 and from that astronomical figure by another 80% in the following ten years. On top of these measures Singapore operates a scheme which offers a relief from some of the registration fee for a new car to those who turn in an old car for scrap. This has led to nothing more than a flourishing scrap car market. Other measures employed in Singapore include a disincentive tax when you sell your car, and double annual licence fees for company cars.

From what the Secretary for Transport said in this Council on May 5 it is clear that he is prepared to go down that slippery slope. This, he tells us, is not the ultimate solution. The measures proposed today can be accentuated, more can be added.

They can be indeed as we can see from the example of Singapore. But what is the point of following an example which, despite ever increasing severity, has still produced a growth rate higher than the 'manageable' 5% to which the Secretary for Transport aspires?

In Hong Kong as in Singapore we will come up against an inescapable fact which is that the ownership of a car is an ambition which very many people expect to realize as the reward of their industry and thrift. It is much more than a mode of transport although the desire to own a car also reflects the general dissatisfaction with public transport.

If the ambition to own a car is denied by price I can imagine social consequences quite as nasty as those described in the Secretary for Transport's doomsday scenario. The last thing we want here is an envious society and that is what we will get, not to mention the damaging inflationary effects of these proposals.

Sir, this Bill raises ominous questions which have not been answered satisfactorily. It does not even have the merit of expediency.

In this connection, I am reminded of the Chinese saying: ‘削足就履’, meaning to trim one’s toes to fit one’s shoes. Perhaps if they were given larger boots, instead of being asked to clip their hooves, those sacred cows would not moo so much (*laughter*).

In all seriousness there is no way in which I can vote for this measure.

REVD. JOYCE M. BENNETT:—Your Excellency, with your permission, Sir, I shall speak on the subject of the three Bills before us today which are intended to restrain the rate of growth of private motor vehicles. These Bills were introduced with a fine speech from the Secretary for Transport. We had an excellent exposition of the disasters awaiting our cities if we continued to allow the number of vehicles to increase. However I cannot accept his rejection of the method imposed in Singapore, where the number of vehicles are limited by insisting that as one new vehicle is licensed, one old vehicle must be destroyed. I seem to have a slightly different version of the Singapore situation from the previous speaker (*laughter*). Perhaps our Friends who know Singapore well can put us straight on that. Instead Mr. SCOTT has continued to follow the methods of restraint used here previously and already found to be ineffective.

I consider Mr. SCOTT’s methods to be inflationary and I must oppose them on those grounds. Our growing professional and middle-class will not stop owning a car by these fiscal means alone. They know the advantages and the status car ownership confers. They have struggled to graduate from the University or Polytechnic and earn more than their parents or they have worked long hours so that they can drive to their works site or office by car. The extra costs of owning a car will be absorbed by those car owners of the eighties with a shrug and a determination to get a bigger monthly pay packet to cope with the rising costs. Mr. SCOTT himself admitted that his increase in the duty on light oils ‘does no more than bring it up to the level of incidence of 1976.’ Clearly it has already been accepted in that light. I believe in the long term the increase in the first registration tax and the annual licence fees will be similarly regarded.

No, Sir, this will not do. We have got to reduce the number of cars on the roads or at the very least we must insist that there is a nil growth rate. I consider the arguments advanced in paragraph 55 of Mr. SCOTT’s speech against the nil growth rates of car ownership are inadequate and inconclusive. He considers that there would be insurmountable difficulties in limiting the number of vehicles. I do not think that the example of Singapore should be so lightly dismissed as unworkable. I consider Hong Kong administrators are just as capable as those in Singapore of devising practical methods. Any prospective owner of a new car must produce an old car at a car crushing plant. Hong Kong has plenty of excellent businessmen who would soon devise means to discover the old wrecks that are cluttering up our roads and countryside. I can bring you to many roads in the Kwun Tong area where the Police have given up the

unequal struggle against old vehicle dumpers. I am sure other similar areas in the less affluent parts of town can produce other wrecks we would do well to crush out of existence. Mr. SCOTT's 'great difficulties' can surely be overcome by draconian methods if he really gives his mind to the problem.

One other suggestion can be made about deciding who is allowed to register a new car. We now have a lottery system for the allocation of Home Ownership flats. Allocation of Secondary School Form I places has an element of chance, which I abhor. If the ownership of a new car depended on a lottery system, perhaps cars would no longer be a status symbol and fewer people would see the need for possessing one. Unfortunately the concluding sentence in Mr. SCOTT's paragraph 55 indicates he has not fully accepted the idea that there must be nil growth in the number of cars on the roads. He is still hankering after additional vehicles. His fiscal methods clearly show that his additional vehicles should go to the wealthy rich in our community. I cannot accept such support for that one sector.

I must therefore oppose these Bills and shall vote accordingly.

MR. S. L. CHEN:—Sir, the whole concept of the Secretary for Transport's proposals is the belief that curbing the growth of private transport would help solve the problems of road congestion. Whilst sharing this belief, I, for one, do not consider that fiscal restraint on private car ownership as a means would either be effective or socially justifiable.

Apart from the doubts which I have over its effectiveness, I consider the proposal to use fiscal means to control growth in car ownership is not only draconian but also utterly unfair. I am thinking particularly of those who after years of saving and planning would have become car owners for the first time but, because of the exorbitant increase in the cost of acquiring and keeping a car, have now to defer the realization of their aspiration. Just as the proposal is unfair to many would-be first-time owners, it is also unfair to many existing owners who may be deprived of their necessary means of transport because of the exorbitant licence fees. In saying this, I must emphasize that until public transport services are adequate, owning a car, especially for those who live in the new towns, is not a luxury but a necessity.

If, however, we accept restraint on car ownership is a suitable means to ease road congestion, then I think a more socially acceptable and certainly more effective means would be to put a limit on the number of vehicles allowed on the road, say, the present number of registered vehicles plus a manageable annual growth. Indeed, the Secretary for Transport did touch on this idea in his Speech when he moved the second reading of the Bills but somehow shied away from it in the face of the likely difficulties as to how the additional vehicles permitted each year are to be allocated. Surely, if we have managed to devise a way for allocating public housing and school places, we should be able to devise an equitable system for car allocation.

One possible method of distribution is to allocate the additional vehicles only to genuine first-time owners who are in need of a car and have the means to afford it. To maintain fairness and the predetermined ceiling, any existing car owner wishing to acquire a new car can do so only if he surrenders an old car for de-registration on a one-for-one basis.

I strongly favour this alternative solution for three good reasons. First, it removes any criticism that the fiscal measures are being introduced in order to raise revenue. Secondly, the social aspirations of the would-be first-time car owners can be satisfied and, thirdly, existing car owners can continue to enjoy the convenience without being penalized by hefty licence fees.

Of course the long-term solution to road congestion can only lie in the provision of adequate public transport services and a suitable road infrastructure. But because there is nothing in sight for immediate improvements in these directions and something has to be done to halt the deteriorating situation, I would like to suggest for the strong reasons stated earlier, that Government should give serious consideration to the alternative solution set out in the preceding paragraphs. If after a careful study of the alternative proposal, Government finds that it is impracticable, only then I would be happy to support the proposals before Council.

REVD. MCGOVERN:—Sir, as there are several speakers on these three Bills, for brevity sake I will take the three of them together under the shorter title of the P.P.M.P.—the Persecution of the Private Motorist Package (*laughter*).

We have been told that the principal reason for congestion on our roads is that there are too many private cars. This, of course, is not so. The principal reason for congestion on our roads is that Hong Kong has suffered from about three decades of bureaucratic blundering by Government. This blundering has been characterized by a lack of imagination, lack of foresight, uneconomic use of money by the holding back of projects which got dearer every year they were postponed. It was chiefly characterized by a lack of co-ordinated planning between different Government departments. Just one example of this can be seen in many urban and suburban locations where a decade or two ago there was an obvious need to widen a road, and space was then available to widen it. This need may or may not have been seen by whatever department should plan such things. On the other hand the need may have been seen and plans may have been made. But somehow in the bureaucratic process some other department seemed to be able to issue a building permit so that we now have fairly new buildings right out to the edge of a road which was already visibly inadequate twenty years ago. I, therefore, agree with Miss DUNN on one point—one point only, I think (*laughter*)—that priority should be given to the infrastructure, but I would stress that the infrastructure must obviously be ready *before* any structures are started.

Another example of the lack of co-ordinated planning in the urban area is the apparently haphazard piece-meal permission to change lots in the old slums of

say Mong Kok or Wan Chai, from four or five storey tenements to twenty storey high-rise buildings without any change whatever to the warren of lanes and side streets, which again, were obviously inadequate to serve even the four storey buildings a couple of decades ago. And all this in spite of paying extravagant fees to all manner of consultants. On traffic matters, apart from high fees, about the only thing that can be said with certainty about consultants is that their predictions about Hong Kong will almost invariably be wrong (*laughter*), as was the case, for example, with the Comprehensive Transport Study, which became the basis of the White Paper, which in turn became the basis for the rationale behind these Bills. I cannot resist the pun. Instead of these three Bills penalizing the motorists, it would seem more logical to bill the consultants and get back the fees which were paid for wrong advice (*laughter*), but I suppose they will get off stark free.

One could go on with many other examples of bureaucratic blundering, but there is no need to do so as most of the five million people in Hong Kong know about them—even though they never had the opportunity of flying over King's Road by helicopter to see the obvious (*laughter*). In my judgment it is unjust to penalize one section of road users for this bureaucratic mess—especially as they are the ones who pay vehicle and licence taxes and drive light vehicles which do least damage to roads. I will just point out at this stage that, by the way, there is an error of fact in the propaganda which accompanied the increase of licence fees. The propaganda refers to a three-fold increase in annual licence fees. There is, of course, a 4½-fold increase for the fifteen or so thousand owners of vehicles under 1 000 c.c. It is ironical, but typical, that the small vehicle owner who either cannot afford a bigger car, or who more likely is conscious of the need to save fuel and thus help a balance of payments, he is the one who is disproportionately hard hit.

My final argument against these Bills weighs heavily with me. From my reading I gather that the experience of attempts to control traffic by fiscal means in other countries provides no proof whatever that these measures, and threats of more of the same, will work. The whole packet is an experiment. That such a probably unsuccessful experiment should be made at a cost of maybe a billion dollars out of the pockets of private motorists is not only extravagant, but manifestly unjust. There are too many other things which need to be done first, such as the co-ordinated planning mentioned earlier. One other important thing which need to be done is to drop the negative thinking which seems to be at the root of Government planning—negative thinking shown for example in the unrealistic amount of car parking space allowed for plot ratio purposes in private residential buildings. I could go on to the need for regulations demanding a realistic amount of car parking in commercial buildings. But I will stop. I oppose the P.P.M.P. (*laughter*).

MR. PETER C. WONG:—Sir, it is an acknowledged fact that traffic congestion on our roads has reached intolerable proportions. Obviously, something has to be done urgently before the situation deteriorates further.

The package proposed by the Secretary for Transport is certainly not a panacea, nor is it without shortcomings. However, the package is relatively simple to administer and at least in the short term it will have some deterrent effect. The options open to Government are in fact limited and it would be virtually impossible to find one that would satisfy all concerned.

Government has demonstrated that it is now determined to grasp with this perennial problem. This is certainly a step in the right direction. But a lot remains to be done. Other options must continue to be examined and, most important of all, greater effort should be made to improve the public transport system. These tasks would require not only expertise but also imagination and firm action. As with the formulation of other policies, Government will no doubt take into account views expressed by the public.

The additional taxation involved is not designed to raise revenue but rather to restrain vehicle usage. I am not in favour of taxation for non-fiscal ends, but I accept the Financial Secretary's explanation that this is an exceptional measure taken in regard to an exceptional situation. It is reassuring to note that in the foreseeable future Government will press on with its very substantial transport programmes involving major expenditure.

As the Road Traffic (Registration and Licensing of Vehicles) Regulations (Amendment) Bill 1982, the Dutiable Commodities (Amendment of Duty of Light Oils) Bill 1982 and the Bill now before Council constitute a package, the remarks I have made apply to the other two Bills as well.

Sir, I support the motion.

MR. WONG LAM delivered his speech in Cantonese:—

督憲閣下：本人雖是一名巴士從業員及一輛小型自用車車主，但今天純粹以普通市民的立場表示意見。

原則上本人同意政府必須及早抑制自用車數目的急劇增長，以遏止本港道路日甚一日的擠塞情況。此舉除了正如運輸司所論及，為本港的經濟、治安和市民生命財產帶來良好的效果外，也明顯地為一般乘搭公共交通工具的絕大部份市民帶來更暢順的交通，更多的餘暇時間，及因較少交通擠塞所帶來的愉快心情。

至於政府所提出的抑制自用車數目增長的方法，本人卻有保留的態度。大體而言，抑制方法不外兩種，一是抑制擁有，二是打擊使用。兩者孰優孰劣，則有必要先探討自用車數目劇增的原因。

正如運輸司所言：「多年來，車輛擁有者的增加率明顯與本港生產總值增長互有關連。」換句話說，自用車數目的增加，與本港經濟不斷的繁榮，有極密切的關係。參與創造經濟繁榮的市民，以擁有自用車作為享受經濟繁榮成果的方法之一。這點本人認為絕無不當之處。

另一項促使自用車數目激增的原因，是近年來市民對餘暇時間的康樂活動，遠較過往為重視。這可能是經濟繁榮下自然的趨勢，但不能否認，也是一種態度的改變，而政府在引導市民態度的改變上，也擔當了積極的角色。市民參與更多的康樂活動，尤其是戶外活動，自然對自用車有更大的需求。這點是無可厚非的。

自用車數目劇增的另一項重要原因，是近十年來新市鎮的飛躍發展。部份新市鎮居民擁有車輛的原因，可能與享受經濟繁榮成果，或參與康樂活動無大關係，而是基於實際環境及交通上的需要。這理由是相當充份的。

由此觀之，擁有自用車並非不可理解的事情，而且擁有車輛，並不一定造成交通擠塞，例如部份新市鎮居民根本便很少把自用車開到港九各區。所以政府實在不必過份從抑制擁有車輛方面着眼。

不過，雖然運輸司也承認「基於社會和經濟理由，我們（政府）認為不宜完全扼殺擁有汽車的願望」，但政府現今的建議，嚴格來說，卻是從打擊擁有車輛入手，而非從較易理解的抑制使用着眼。增加車輛首次登記稅及每年牌照費，基本上與使用車輛無直接關係，只有增加輕質燃油的稅項才和使用有直接關係；但一般而言，其抑制作用（指增加車主之負擔而言）卻較前二者為小。這是剛才本人對政府建議抑制自用車數目增長的方法，表示保留態度的主要原因。

無疑單靠增加輕質燃油的稅項，未必能夠有效地抑制市民擁有自用車的意願，所以政府才同時提議其他兩項的增加。不過，隨着經濟的繼續繁榮，市民收入的增加，經過若干時日後，政府此次提議的增幅之抑制作用，將越來越微，屆時稅項的另一次大幅增加將可預期。換言之，歸根究底，政府還是要以加稅來抑制擁有車輛的意願，而基於加稅對富有人士的影響較輕的緣故，政府的做法無疑將變成只針對中、下層的市民。這點恐怕不大公平。

在這種情形下，本人對應否支持政府的建議實在頗為躊躇的。一方面是目下道路的擠塞情況經已達到無可容忍的地步，另方面則政府的提議並非一勞永逸及從針對使用車輛方面着手。不過，基於目前情形的急迫，及釐訂既符合原則，對不同階層人士都大致公平而又簡易可行的辦法絕不容易這兩項因素下，本人同意政府先通過這一提議作權宜之策，但必須指出的是政府仍繼續尋求更有效及公平的辦法，針對使用車輛而非擁有車輛。

運輸司在其動議演辭中，還提及政府目前已實行及將實行的減輕擠塞的措施。本人樂於看到政府在這方面的努力，因為這些措施，例如加強交通制和管理，發展道路以外公共交通系統及發展道路方面公共交通系統等，在改善交通擠塞方面，肯定有其積極作用。雖然孤立而言，部份交通措施，如增加稅項，在加強交通擠塞方面，未必會有很大作用（所以運輸司也不大樂觀），但假如政府此項加稅的提議獲得通過，則在雙管齊下，相輔相成的情形下，這些措施收效可能較政府預料為佳。不過運輸司並未提及將如何針對一些於繁忙地區隨意的落貨、隨意擺賣及隨意雙行泊車的問題。本人家居旺角，對這些問題有深刻的體會，而且深信這些現象所引起交通擠塞，遠較一般人理解或想象中為重。本人深信這些現象並不單存在於旺角區，而是非常普遍地存在於所有區域。當然，政府在處理及改善這些情形時要抽調不少人手，但本人認為這仍然是值得的，希望在政府在這問題上，有更進一步的積極行動。

閣下，本人謹陳管見及支持此項動議。

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

Sir, though I am a bus company employee and owner of a small private car, I shall express today my views solely as an ordinary citizen.

In principle, I agree that the Government must restrain the drastic growth rate of private cars, so as to stop the ever worsening congestion on the roads of Hong Kong. As stated by the Secretary for Transport, such a measure will have beneficial effects on the economy, on law and order, and on life and property. Obviously, it will also lead to a better flow of traffic which, in turn, will give more leisure and a happier mood to the majority of commuters.

As regards the means employed by the Government in restraining the growth rate of private cars, I have certain reservations. Generally speaking, there are only two forms of restraint. The first is on car ownership and the second, on usage. We must first study the causes for the drastic growth before we can decide which form of restraint is better.

The Secretary for Transport said, 'For many years, the growth of car owners is obviously related to the growth in G.D.P.'. In other words, the growth of private cars is closely related to the continuous prosperity of Hong Kong. Citizens participating in the creation of this prosperity choose to own a car as a way of enjoying the fruit of prosperity. And I think this is most justifiable.

The greater emphasis placed on recreational activities by most citizens in recent years is another cause for the drastic growth of private cars. This may be a natural product of economic prosperity and certainly represents a change in attitude. The Government has played a very active role in bringing about this change among the citizens. As they participate in more recreational activities, especially outdoor activities, their demand for private cars will naturally become greater. This is understandable.

Another important cause for the drastic growth of private cars is the rapid development of the new towns in the past ten years. Of course, some new town dwellers own cars not so much because of Hong Kong's economic prosperity or their own recreational activities as they need the vehicles for practical travelling purposes.

Thus it can be seen that there are various reasons for owning a private car. Furthermore, owning a car does not necessarily lead to congestion. For example, some of the new town dwellers seldom drive their cars to urban areas in Hong Kong and Kowloon. So, as a matter of fact, the Government need not try so hard to curb ownership.

Though the Secretary for Transport admitted that the authorities considered it inappropriate, for social and economic reasons, to deny citizens the opportunity to own a car, the current Government proposals are, strictly speaking, directed at restraining ownership rather than usage. Basically, increases in first registration tax and annual licence fees are not related to usage. Only the increase in the duty on light oils directly affects usage, but, as a restraint, it is less effective (in terms of increasing the financial burden of car owners). This is the main reason for my reservations on Government's proposals for restraining the growth of private cars.

Undoubtedly, simply raising the duty on light oils alone cannot be an effective means to discourage people from owning a car; the Government, therefore, has proposed two other increases as well. However, with the continuous growth of our economy and the steady increase in people's income, the restraint resulting from the current proposals will gradually diminish. In course of time, another big rise in taxation is to be expected. In other words, curbing car ownership through increases in taxation will ultimately be the only

step taken by the Government. Bearing in mind that higher taxation has less effect on the rich, such a measure will consequently be directed at the less well off. This is rather unfair.

Under such circumstances, I am rather hesitant in giving my support to the motion. Although I appreciate that the present road congestion has reached an intolerable level, the proposals are neither long-term solutions nor measures directed at car usage. However, in view of the urgency of the problem and the difficulty in designing simple and feasible measures which are both reasonable and fair, I agree that the Government should first adopt these proposals as expedient measures but continue to look for fairer and more effective means which are directed at curbing usage rather than ownership.

In his speech, the Secretary for Transport also mentioned that the Government had implemented and would implement other measures to reduce road congestion. I am delighted to see efforts made in this respect. Measures like more efficient control of road traffic, development of off-road public transport systems and better operation of public transport on the roads will certainly achieve positive results. These measures alone may not produce much effect (and the Secretary for Transport is not very optimistic either), but coupled with the tax increases, they could achieve results better than the Government would expect. However, the Secretary for Transport has left a number of problems unmentioned, e.g. the loading and unloading of goods, hawking and double parking in busy streets. Being a resident of Mong Kok District, I am fully aware of these problems and am convinced that they have created far more serious traffic congestion than the general public could imagine. I am sure these problems are not only found in Mong Kok but in other districts as well. To improve the situation, the Government will, of course, need plenty of manpower. But I still consider it worthwhile and hope that the Government will take further positive action in dealing with these problems.

Sir, with these observations, I support the motion.

MR. CHARLES YEUNG:—Sir, the matter of transport is always polemic and opinionated. It is well borne out by the historical numbers of speakers on the subject in this Council and the length of the speech of the Secretary for Transport in moving the Bills, which runs to 84 paragraphs with foot-notes and three tables appended thereto. By its length one may easily and wrongly interpret it as an employment of the old tactics, that is, if you ‘cannot convince, confuse.’

Three Public Revenue Protection Orders were signed by the then Deputy to the Governor on the 5th May 1982 when the Motor Vehicles (First Registration Tax) (Amendment) Bill 1982 and the two related Bills were first published and introduced to this Council on the same date. The Orders are made under section 2 of the Public Revenue Protection Ordinance. The object of the Ordinance is to protect the revenue of Hong Kong as pronounced in the Preamble of the Ordinance.

I should not be misunderstood as challenging the validity of such Orders as they are well within the ambit of section 2 of the Ordinance. What I am saying, Sir, is that the Financial Secretary in his speech made on 5 May 1982 has declared that the measures proposed in the three Bills were 'designed not to raise revenue but rather to act as restraints directed at vehicle usage' and therefore I have misgivings of the Administration employing the power of the Public Revenue Protection Ordinance to curb the possible deluge of people buying new cars and renewing the annual vehicle licences before the Bills pass through this Council. I therefore cannot help entertaining the doubt whether the Administration, in its zeal to achieve apparent result, has travelled too fast and too far beyond the spirit and intentment of the Ordinance.

In support of my argument, I would respectfully quote the following passages from the speech of Mr. O. V. CHEUNG made in this Chamber on 18th December 1974 on the debate of the Public Revenue Protection (Amendment) Bill 1974 and the assurance given by the then Attorney General. Mr. CHEUNG said 'I take this opportunity to express Unofficial Members' concern over the use of powers given by this Ordinance earlier this year. The sole purpose of the Ordinance is to protect the Government from loss of revenue and no other. It was never intended that it should be used either for pre-empting the decisions of this Council on proposed changes in rates of tax, or for the convenience of the authorities entrusted with the duties of revenue collection. They have therefore asked me to seek an assurance from the Government that the Ordinance will not be used for any purpose other than for the purpose of protecting the revenue.' In reply, the Attorney General said '... In general, Sir, the Government is more than ready to give the assurance which Unofficial Members seek that the Ordinance will not be used except for its true purpose of protecting the revenue ... Accordingly, Sir, I give the assurance for which honourable Unofficial Members have asked.' I do not wish to deliberate further on this point.

The Secretary for Transport declared in his speech made in this Council when he proposed the Bill that 'the measures proposed are aimed at stopping the growth of congestion on the roads of Hong Kong, in particular the urban areas.' In the proposed measures the Administration seems to have confused the issue between the number of vehicles and the usage of the road. The vein of the argument of the Secretary for Transport, as far as this Bill is concerned, is that if there are fewer cars in Hong Kong, there will be lesser use of the road. More cars, however, do not necessarily mean more usage of urban road space, which is the crux of complaint. I can quote many examples of private car owners in the New Territories using their cars to communicate in the New Territories and do not add to the congestion of the urban roads. The direction of effort should aim at discouraging the usage of the road space in parking and driving rather than the number of vehicles.

On the general philosophy and reasons given by the Secretary for Transport in singling out private cars for harsh treatment, he elaborated on the serious effects of traffic congestion on the economy, on law and order, and on life and property. I will deal with them in seriatim.

First, I agree that for the economy of Hong Kong, goods vehicles should be given precedence to private cars. To allow goods vehicles special privileges and even the sole privilege to use certain essential road or part of a road to the exclusion of private cars is less invidious, as many roads are not arteries for commercial blood to flow as suggested by the Secretary for Transport. Furthermore, in other busy cities many goods transportations are using the slack periods such as the evening or at night.

Secondly, the implication given by the Secretary for Transport that easy movement will inhibit the activities of the anti-social and criminal elements is only a general assertion and not supported by statistics as far as the degree of culpability of private cars contributing to road congestion is concerned.

Thirdly, to facilitate easy movement of ambulances and fire engines is ideal in the protection of life and property. We have been told over 10% of the calls of fire appliances in Hong Kong and Kowloon in the first quarter of the year were delayed by traffic congestion, but we were not told the magnitude of the problem caused by the comparative time loss.

We were not told in specific terms what actions Government will take, apart from the proposed restraint on private cars, to overcome the problems and to make improvement in facilities, decentralization of depots, employment of helicopters and other pertinent measures which are now being used in other big cities.

The effect of these three Bills is discriminatory. First, it discriminates between the 'rich and poor' the 'have' and the 'have-not'. The really rich sector of society will not be inhibited in any way by the increased first registration tax, the annual licence fees or the price of petrol. If they are, they are not rich. For the poor sector, though they are not immediately hit, their chance and hope of having a car in future will be reduced. The worst hit of all are those in the 'sandwiched' class, the class which I presume are the middle class as defined by my honourable Friend, Mr. LOBO, as they have been working hard to save enough to fulfil their aspiration, pride or necessity of owning a car and now find it out of their reach. I have heard many groans and moans from this sector and as a matter of fact one lady had petitioned to Your Excellency at the gate of the Government House and I can assure this Council that this is not an isolated incident. On this point, one must try to understand the mentality of our populace. They have strong aspiration to own a pair of golden pens, an expensive watch and a motor car and take a great pride of showing them to their friends and relatives. It is not without basis to assert that such an urge of material possession, and the effort of getting them is the sap of energy for hard work and self-advancement which is the mainstay of our economic prosperity.

Secondary, the proposed Bills will further discriminate between the residents of the urban area and the rural area. Generally in the urban area, the residents are comparatively better served by public transport and their movements are not so much restricted by the lack of private cars and the distance of travel is

comparatively short. However, in the New Territories and other areas outside the urban development, for lack of adequate public transport and for the distance people have to travel, private cars become a necessity of life. To deprive them from owning a private car is simply to immobilize them which will seriously affect their way of life, their earning capability and standard of living. It also discourages people to seek residence outside the congested urban area which will in turn impede the development of the rural areas.

Thirdly, the gulf between the classes of people will be perpetuated. As an illustration, because of the inhibitory financial burden many people will not be able to travel in private cars but it is not likely that the taipans, the top executives, the senior civil servants and the rich men will abandon their private cars and take up public transport because of that. I have heard arguments to the effect that it is not economical to ask our civil servants and executives to use public transport as much working time will be lost and such times are very costly. However, I am certain that total costs on time lost by the general public will be much greater especially on a rainy day when it is nearly impossible to get a taxi or to board a bus. We have yet to assess our social costs in this respect.

I cannot follow the argument of the Secretary for Transport in proposing differential rates of First Registration Tax according to the value of the vehicles. Both the Financial Secretary and the Secretary for Transport took pains to stress that the measures proposed were not designed to raise revenue but to restrain growth and usage of vehicles. The Secretary for Transport unequivocally though unwittingly admitted in paragraph 29 of his speech that even a small motor-cycle use nearly as much linear road space as a car for safety reasons.

As far as road space usage is concerned a motor-cycle, a small car or a big car are practically the same. As the size is so immaterial, I fail to understand why the higher the value of a vehicle the higher will be the rate of tax. We must also bear in mind that even if the same rate of increase of tax is levied on all cars, a British made Jaguar will have to pay, say, about four times more tax than a comparable sized Japanese made Toyota, though they use the same road space and sharing equal blame for congestion.

One may argue that as only 17% of our households are affected we should not over-play the impact of the Bills on our community. However, the 17% are only those households who at present own cars but there are many more who are aspiring to own one. In any event, this concept of legislating against the interest of a small sector is dangerous and foreign to our legal jurisprudence.

One may also argue that these proposed drastic measures are only employed as a last resort to solve our worsening traffic condition. We have not, however, been told fully the comprehensive plan which Government has derived. For example, what are the plans to solve urban road congestion, on-street parking, off-street parking spaces for cars, taxis, lorries and container trucks, the loading and unloading of goods lorries and container trucks, the transportation of school children, and so on, all of which contribute more significantly to our traffic congestion than the private cars?

Similarly, I can see no reason on the ground of road usage for imposing higher annual licence fees for cars of larger engine capacities.

The increase of tax on car fuel works very unfairly on the residents of the New Territories, to whom a car is not a luxury but a necessity. The Secretary for Transport said in paragraph 5 of his speech that three-quarters of our population live and work in less than 40 square kilometres around the harbour of Victoria and in paragraph 73 he said that Hong Kong's relatively short travelling distances mean that fuel costs to the private motorists are not as high a proportion of the costs of motoring as elsewhere and an increase in duty, unless it is really swinging, is unlikely of itself to prove a great deterrent to usage.

We must not forget that we have 1 000 square kilometres of land in which the remaining quarter of our population live in widely distributed territories. These people, farmers, fishermen, tradesmen, housewives and workers alike, like the families in the United Kingdom and the United States need a car to journey very far sometimes to run their daily business and they will not contribute significantly to the congestion of urban roads. The Secretary for Transport in paragraph 56 of his speech when he explained the high figure of car ownership of 60 households per 100 in United Kingdom, 95 households per 100 in the United States and 17% for Hong Kong had admitted this fact and necessity of the New Territories residents. This Bill has therefore failed to recognize the social and economic factors of the New Territories residents and attempted to resort to a measure which can neither by itself deter the road usage nor do justice to the people who depend upon cars as the essential means of communication.

Sir, I support the pressure, Father MCGOVERN's views—what he called the P.P.M.P.—and accordingly I oppose the Bill and also the two other related Bills.

DR. HO:—Sir, I rise to speak on the Motor Vehicles (First Registration Tax) (Amendment) Bill 1982, the Road Traffic (Registration and Licensing of Vehicles) Regulations (Amendment) Bill 1982 and the Dutiable Commodities (Amendment of Duty of Light Oils) Bill 1982. According to the introductory speech by the Secretary for Transport on 5 May 1982, the primary intention of the Administration at this juncture of time, which I fully agree, is to alleviate the problem of congestion on our roads, in particular the urban areas by way of imposing restraint on car usage in preference to car ownership. To this end, the Administration proposed amendments to three Ordinances. However, it appears that two of the three amendments are more primarily directed at restricting car ownership than at discouraging car usage.

The amendment to increase the first registration tax is unlikely to affect the number of existing vehicles, though it may have some effect on deterring the marginal car owners from buying new cars for the first time. The extent to which this fiscal measure will restrict the growth rate of new registration of cars also depends on the individual's assessment of the severity of the levy.

A surer method to contain the growth of car registration to the desired level would be to designate a quota for new registrations in each year. A mechanism, however, has to be designed for allocating the additional vehicles to the intending car owners. This may not pose an insurmountable problem. A tendering procedure for new licences and the ballot system the Home Ownership Schemes are worth serious consideration.

The second amendment to increase the annual licence fees will raise the cost of keeping a car, but may not necessarily remove the existing private vehicles from the road. A transfer of car ownership is quite likely to take place in the direction from the marginal to the better-off car owners. Only a small number of old and unroadworthy vehicles will be destined to the scrap yards. Furthermore, the hefty increase in annual licence fees, though eloquently explained by the Administration as an up dating of the level of fees in 1982 due to the Administration's deferred decision over the previous years, is likely to be interpreted by motorists as measures designed more for the purpose of raising revenues than for merely transport control. They would query why they have to be penalized financially when the Administration tries to rectify its past judgment. This perception on the part of the public will bring about mistrust in the future policies formulated by the Government.

Only the third amendment to increase duty on light oils does impose a direct deterrent to car usage, which is the objective envisaged in the amendments to the three Bills.

Nevertheless, efforts expended to restrict car ownership will unquestionably lead to a reduction in the number of vehicles, thus contributing to the alleviation of road congestion. But in order to maximize the effectiveness of these congestion-reducing efforts, a battery of more positive and better co-ordinated measures must be simultaneously put into operation.

The first and foremost consideration should be directed to improving the standard and to expanding the services of public transport, so that every private motorist will be disposed to accept it as a satisfactory alternative means of commuting. The present capacity of public transport is far from adequate in meeting the transport demand of the public, as illustrated by the unreasonably long waiting time at bus stops, especially at peak periods. If only 25% of the private motorists were to give up using their vehicles, it would mean that an addition of at least 54 000 people would be using various means of public transport. This sudden increase in number of commuters calls for the need for some 500 more buses, if not more, and I wonder whether the two franchised bus companies could respond promptly to this transport demand, especially at this time when one of the bus companies is in the dilemma of making forward plans of route development in anticipation of the changing transport patterns when the M.T.R. Island Line opens in 1986.

The electrified K.C.R., though much more efficient and comfortable as a mass carrier, has only been able to make marginal contribution to reducing road use

in urban areas, due to its restricted operation between Hung Hom and Sha Tin. Commuters living beyond Sha Tin still have to rely on the outmoded K.C.R. with trains running on an hourly interval schedule. In addition, large private and public housing estates are normally located quite a distance from K.C.R. stations and the feeder services linking up these major centres of population with the K.C.R. station leave much to be desired. Furthermore, remote villages and population centres in the New Territories are largely inaccessible to most forms of public transport and the residents there have to count on private motor vehicles. To strip them of their personal transport will cause tremendous inconvenience or even immobility in certain extreme cases.

With the operation of the electrified K.C.R., the extension of the M.T.R. to Tsuen Wan, and the rapid urbanization in the New Territories, I believe that it is high time to review the policy governing the operation of New Territories taxis, which has been rendered outdated and irrelevant to present transport needs. Massive public housing and home ownership projects sprawl out into the suburban areas, extending the former rural boundaries. To enable the New Territories taxis to function as a more efficient mode of public transport, I suggest that the operation boundaries of the New Territories taxis be extended to Tsuen Wan Ferry Pier to the K.C.R. Sha Tin Station and to the M.T.R. station at Choi Hung.

Off-street multi-storey car parks have an important part to play in reducing the number of private motor cars on urban roads. Park-and-ride facilities strategically located at major K.C.R. stations and at major public transport interchanges, will entice the commuters to leave their vehicles and to continue their journeys by mass carriers.

Lastly, may I express a few words of support for one of my senior colleagues said on the subject of disabled driver. Under the present transport conditions, it is virtually impossible to expect a disabled person to freely use our public transport. I urge that concessions in respect of first registration tax should be considered for them, so that transport policy will be integrated into our policy on the Rehabilitation of the Disabled.

Sir, the package of remedies as contained in these Bills will only have marginal effect on alleviating our road congestion, but at great expense of good will of the motoring public. However, I am prepared to give these Bills a chance to test their effectiveness on condition that the Administration is willing to vigorously and immediately augment their proposed package with those positive and better co-ordinated approaches as suggested in the latter part of this speech.

MR. CHAN KAM-CHUEN:—Sir, transportation is an essential service for moving people and goods from one point to another. Not only does it satisfy the basic needs of the public, it also enhances living standards, creates wealth, saves time and thus contributes materially to the general welfare of society.

It is therefore important for a society to have an efficient transportation system which provides a reasonable degree of regularity and certainty in mobility. If public transport fails to provide such service, people will have to run their own transport if it is within their means.

The concept of popular ownership of private car was advanced by the motor car industry and middle-income group has often been referred to as the 'two car family'. This somewhat transforms the private car from a necessity to a status symbol.

The introduction of air-conditioning in private cars has added an element of comfort which, in our hot and humid summer with torrential rains and typhoons, was not provided by the public land transport services except in some taxis, and until we had the M.T.R. and recently the electrified K.C.R.

Therefore, it is not surprising that the proposals to discourage the growth of private cars have become such a controversial issue and lively public debates in the mass media and in this Council on this and related Bills have not been totally unexpected.

Now let us examine the economic and social consequences of such measures and see whether they are beneficial to the community as a whole.

Economic Consequences

As the demand for private car increases, the car and related industries flourish and more jobs are created. More and more road networks have to be built and parking, environmental and traffic congestion problems in urban areas naturally follow.

However, Hong Kong does not manufacture cars and we do not benefit except for the car retailing and repairing businesses. But we are left with all the evils magnified manifold as we have one of the highest densities of vehicles and population in the world.

In 1981, the retained import values for private cars and motor-cycles were \$912 million and \$14 million respectively. To these must be added a fair portion of other items needed for running our present fleet of 330 309 motor vehicles. These included \$2,243 million worth of gas/diesel oil and distillate fuel, \$410 million worth of motor car spare parts. A reduction in these figures would certainly help our visible trade deficit.

New car agents and their salesmen who depend on profit and commission would be hardest hit, although the more enterprising ones may turn to importing 'brand new' old cars to cushion off the impact of the heavy first registration tax.

The repair service may not be so hard hit as they still have their hands full in repairing and maintaining the existing cars. This would be the same for those who supply fuel and spare parts. Any effects on them would be gradual.

I must sound a warning note in respect of small goods vehicles which are commonly used by a large number of small manufacturers for transporting their small quantity of products. The disparity of licence fees for say, a 1 600 c.c. van (or between 20 cwt. and 45 cwt.) is \$800 per annum if registered as a goods vehicle and \$2,700 per annum if registered as a private car. No entrepreneur in his right mind when he buys another new van would not register it as a goods vehicle and charge it to the company's expenses. It is therefore not unreasonable to expect a gradual shift of ownership from private vans to light goods vehicles.

Social Consequences

These measures are unacceptable to the motoring public as they take away comfort, valuable time and money from them which means lowering their living standards. For places not served by the K.C.R. or M.T.R., waiting for a maxicab mid-journey or hailing a taxi with an 'out of service' sign is a frustration, especially in summer heat or heavy rain.

The owners of existing small cars of not more than 1 500 c.c. would hold on to their cars but would grind their teeth to pay the additional car licence fee of \$3.84 per day and try to make more economic use of their trips and fuel.

Those who find that their old cars are beyond economic repair after vehicle examination would either buy less expensive car or discard their car of over 10 years vintage and use public transport. In the latter case, it is easy to go from thrift to extravagance but difficult to reverse (由儉入奢易, 由奢入儉難). The only consolation is that money which would otherwise have been spent for that new car in the show window would be earning interest in his savings account and may be used some day for other purposes with more permanent value.

For our society, if the roads are less congested, a lot of unproductive waiting time on the road could be put to more profitable use. Supposing each of the millions of workers saves an hour a day in commuting, it will not be difficult to imagine the phenomenal gain in terms of man-hours for the whole community.

Over-concentration of vehicles in a densely populated city is probably one of the main causes of traffic accidents. Easing congestion therefore, might help save some of traffic casualties. (In 1981, 478 lost their lives and 7 465 were seriously injured in traffic accidents.)

Effectiveness of Measures

As our main arteries are choked up like cholesterol in the bloodstream with too many vehicles going to the same place at the same time, e.g. in the Central District during peak hours, the number of vehicles has to be somehow reduced by drastic steps.

In sorting out the priorities, one has to agree that essential services vehicles, and those serving the export trades are our lifeblood and they provide many 'rice bowls'. Public transport for the majority of workers should have higher priority than private car owners.

After the priorities have been decided, the means of curbing growth falls mainly into fiscal and quantitative controls. Although 'prohibition by taxation' (寓禁於徵) is a philosophy accepted both in the orient and the occident, I have some doubts in applying fiscal control as a sole means of reducing congestion in the particular context of Hong Kong.

I shall attempt to analyse the private car registration statistics over the past 15 years and venture to list out some of the attributes which, among others, may have influenced the outcome.

Taking 1966 as the base year, the growth of private cars in 1967 was only +7.1% which may have been retarded by the commotions.

With the returning of business confidence in 1968, easy money was available in the stock market by early 1970's; the public's propensity to acquire private cars was increased with an average annual growth of 14.6% in 1968-72. The experience of the lack of public transport during the commotions might have influenced private car ownership.

As a result of the oil crisis and the big crash in the share market in March 1973, demand for private cars dropped significantly to 7.1%.

Demand dropped even further to an average of -4.2% per annum between 1974-76 due to world recession following the oil crisis.

Hong Kong's economic climate generally recovered in 1977-80 and speculators large and small in the property, gold and share markets resumed active transactions, reaping easy money in return. The average increase during this period was 13.8% per annum.

The growth of 11.3% in 1981 was 5.5% lower than that in 1980, as the speculative markets collapsed. At the same time, the effect of prolonged high interest rates began to set in and world recession and unemployment further worsened.

It appears from the above analysis that if the prevailing export and speculative markets remained recessionary, the present fiscal control would probably achieve its objective of cutting private cars down to 5% or may even achieve an overkill. But if the reverse is true, those who could make easy money in speculation would be able to brush aside those increases as trifles.

The Alternative

If Government wishes to kill three birds with one stone, fiscal means seems an ideal option, as it will produce revenue, temporarily ease traffic congestion and cut down our visible trade deficit.

But if this plan is scuttled by an upturn in the economy, I suggest that we should try the quantitative control instead of further tax increase, which may achieve more success without arousing the discontent of the motoring public and generating inflation. In this respect, the course of action appears to be as follows:—

- (1) Government determines the number of new registration permitted in any one year.
- (2) Old private cars may be replaced by new private cars on a one-to-one basis. (It may create a black market—a preventive measure may be introduced— what matters is the total number of private cars on the road is constantly controlled).
- (3) A priority list for applicants may be compiled based on how essential the service is to the community.
- (4) After satisfying (3), the balance, if any, could then be allocated to non-essential uses— applicants without private cars by balloting.

With these observations, Sir, I support the Bill.

(6.00 p.m.)

THE CHIEF SECRETARY:—Sir, in accordance with Standing Order 68, I have much pleasure in moving the suspension of Standing Order 8(2), so that today's business may be concluded.

Question put and agreed to.

MR. STEPHEN CHEONG:—Sir, during this year's Budget Debate, I asked that drastic measures to contain the growth rate of motor vehicles be introduced. I would like to begin therefore, by expressing my support for the motion, albeit such support must inevitably be dwarfed by the eloquent presentations of my Colleagues, especially that of Mr. WU.

I have two points to make. The first deals with the myth that not enough resources were being allocated to improving transport. The second offers a view on the possible form of future restraint, should further restraint measures prove necessary.

It has been argued that the Government is wrong in trying to restrain the growth of car ownership. The Government—so the argument continues—should try to 'de-congest' our roads by spending more on improving our transport system in general, and on road construction in particular.

Given the constraints imposed on us by topography, environment and resources, it must be reasonable to agree that we now have a relatively sophisticated and efficient transportation system compared to what transport infrastructures we had ten years ago. One needs only to look at our major roads to see that what can be done has been done or that improvements have been planned for. It is precisely because these constraints are severe that there is a limit to further substantial road improvements that can be achieved and that Government has seen fit to develop and refine off-the-road transportation systems. The Government is to be commended therefore, not for the snail pace it has taken to come to grips with the root of the congestion issue but for the courage in finally recognizing and taking a stab at the heart of our congestion problems.

Turning to the argument that the Government has not spent enough to improve our transport infrastructure, I can do no better, Sir, than to draw attention to Appendix C of the Financial Secretary's Budget Speech for the year 1982-83. The projected costs of improvements to our various road systems are: HK\$2.2 billion in the case of Route 1, \$3.0 billion in the case of Route 2, \$0.5 billion for Route 3, \$0.2 billion for Route 4, \$0.2 billion for Route 6, nearly \$2.5 billion for Route 7 and \$1.8 billion for Route 8, making a total estimated expenditure of over \$10 billion for our trunk routes alone. On top of this, the Modified Initial System of the M.T.R. has cost us \$5.6 billion, the Tsuen Wan Extension another \$4.1 billion. On completion the modernized K.C.R. will cost us \$3.0 billion while the M.T.R.'s Island Line another \$7.7 billion. All these make for a grand total of over \$30 billion for off-the-road improvements to our transport systems.

Surely such huge sums of money spent on Transport must in itself be accepted as rather staggering but may I consider the point further in another light. In the five years 1976-77 to 1980-81, we spent about \$7.1 billion to produce approximately 108 000 units of public housing, at an average unit cost of HK\$66,000. In the same period, the total number of vehicles grew by 100 000 from approximately 200 000 to 300 000 and our expenditure on road projects alone amounted to \$3.7 billion. Assuming that a simple causal relationship exists between this expenditure and the growth in the total number of vehicles, it appears that \$37,000 have been spent for every additional vehicle registered. These figures seem to suggest that for each additional vehicle registered we have spent on road construction alone an amount that is slightly over half the cost of constructing a flat in public housing.

Such a comparison may be argued to be irrelevant but, Sir, despite all the fun and games of seemingly constructive criticisms this afternoon, the fact of the matter is that from time to time in this Council, agonizing though it may be, we have to decide between conflicting priorities. Should housing continue to be on top of our priority list? Are we justified to opt for even more expenditure on roads, especially in the light of the fact that the main users of our roads seem to be owners of private vehicles, who now account for merely 17% of the total households?

I have presented these figures to drive home a view, that is, we cannot regardlessly continue to pour money into building roads as if it will be the panacea to the serious problem of congestion.

Secondly, as regards further restraint measures, the Secretary for Transport has said that the Government would, if necessary, 'accentuate (the fiscal measures before us) or bring in additional measures to achieve the objective of getting the growth rate of private vehicles back to 5% per annum'. For the following reasons, Sir, I would suggest that further restraint measures should take the form of direct restraint rather than fiscal devices.

First, given our present pattern of population distribution, ownership of private vehicles in Hong Kong by most people can be seen less as a matter of

necessity and more as a matter of pride and/or convenience. Hence, the seemingly direct correlation between growth in G.D.P. and growth in number of vehicles. It is an object to which the emerging and increasingly affluent middle class aspire to. Because of this I have reservations about the wisdom of further taxing vehicle ownership. It is, I feel, a measure that the Government can afford to do once, but it is not a measure that the Government can afford to repeat— given the present state of the art of the possible.

Secondly, given the Hong Kong citizen's propensity to enjoy and own the good things of life—how often have we come across the statement that Hong Kong people do not stint if the commodity is worth its value?—I wonder whether fiscal measures can be regarded as a long term effective means of restraining the growth rate of vehicles. Since it has been established that unrestrained growth in number of vehicles is at the heart of the congestion problem, it seems to me, Sir, that the only truly effective way of containing the problem is to place a limit on future growth whilst I hasten to agree that the problems of allocation would present great difficulties, I would like to make a suggestion to Government that priority be given immediately to addressing these difficulties.

Sir, I have much pleasure in supporting not only this motion but also the other two related motions on today's Order Paper.

MR. CHEUNG YAN-LUNG:—Sir, there is little doubt that my honourable Friend, Mr. SCOTT's proposal in relieving the traffic congestion is well-intentioned.

In theory, the three Bills aim at improving the overall mobility on our roads, by favouring the public transport system over private vehicles. The result should be more public transport journeys and more people moved. But the latter is hard to imagine, since the public transport load is already at saturation point on most routes.

As he sits or stands in a public vehicle, inching along a congested road, a Hong Kong commuter might seriously ponder the motion that 'Congestion is not easy to quantify'. It is his daily way of life, and a subject which he can quantify, which he can qualify, about which he can testify, but which he just cannot justify.

No doubt many private motorists may have considered taking up meditation to soothe their souls while sitting in traffic jams, and listening to radio reports about the traffic jams in which they are taking part (*laughter*). These are the very motorists we aim to attract to public transport from their 'less economic or slower', but perhaps 'more comfortable' modes.

I believe that the three Bills are well-intentioned but I have some questions and suggestions to raise. Assuming that we are able to force motorists from private cars, where shall we put them? How will the surplus of passengers be absorbed into a public transport system that is already packed and moving at a

snail pace? Furthermore, why should commuters be expected to travel in 'less comfortable' vehicles?

Complaints about public transport are common. For example, there are so many public complaints about our buses that we tend to take them for granted, perhaps because not all of us are obliged to travel by bus. On the subject of the bus travel, may I quote from a letter by a public transport user, as published recently in a local newspaper:

'Travelling on buses operated by the franchised companies is, in my opinion, mostly pretty dreadful with passengers standing on the top deck, on the stairs and too many standing on the lower deck. For those unfortunate enough to have to stand, the journey consists of being flung sideways on bends and end on end braking and accelerating.

If more people are to use buses, how about some laws to make it safer and more bearable, for examples, like more buses, no standing allowed, higher driving standards and drivers with some respect for passengers.'

By contrast, one has only to set foot in a modern M.T.R. coach, or an air-conditioned K.C.R. electric train, to feel like a first class citizen of Hong Kong. M.T.R. and K.C.R. travel is fast, convenient, enjoyable and moving. It is true that rail-based systems are expensive to build and must be operated on high capacity, fixed routes for reasons of economy. But this does not mean that we should cease to look for ways to improve our other public transport services, and bring them into line with first class operations like the M.T.R. and the K.C.R. I suggest that the expected annual revenue of \$1 billion can well be used to finance the expansion and improvement of the M.T.R. and K.C.R. system to other parts of the New Territories. This must be done if we expect the people of Hong Kong to travel willingly by public transport.

It is high time that Hong Kong commuters who depend on public transport were offered a better alternative. And if the only way to improve and expand our public transport service is by nationalization, then let us do so for the good of the majority. In the long term, such a move is not a luxury, but a necessity.

The Government is concerned to gain public acceptance of the need for immediate action through the three new Bills. I doubt that the public transport users of Hong Kong would argue with the need for immediate and constructive action. But there would be arguments about the action associated with the three Bills. It is no solution unless these Bills succeed in easing the lives of the majority by discouraging private motorists.

Raising prices in Hong Kong does not always discourage buyers—at least not for long. Often a price increase makes the expensive item all the more tempting. For this reason, I think the three Bills before us do not go far enough, and will not stop the growth of congestion on our roads in the long term.

Clearly money is not only answer. Ten years ago, there were 120 000 registered private vehicles on our roads. Today there are 211 000, despite higher

prices all round. For instances, ten years ago, an average 1 000 c.c. four-seat medium-priced family car sold for just over \$10,000 including tax. Today the selling price for the same car (including the proposed increase in First Registration Tax) is over \$33,000, and of this price, more than 30 per cent goes to tax. During the last ten years, the price of gasoline has been adjusted over 20 times. In 1969, a gallon of gasoline cost \$3.50. Today, the same gallon costs over \$15, of which about one third is built-in Government tax. Not that these figures are very surprising to a city with the world's highest Rolls Royce population per square kilometre.

If our road congestion problems amount to a 'doomsday scenario', I would say that the three Bills before us present an 'ivory tower solution'. At best we hope they will discourage more private car ownership through economic hardship. But we are not facing reality this way, and we are not preparing for the worst, which could be more private cars on the roads in the future.

A drastic problem requires drastic solutions. For Hong Kong, restraint on ownership together with a programme of gradual reduction of the total number of vehicles may be the only effective ways to fight road congestion. My honourable Friend, Mr. SCOTT has warned that restraint on ownership may be necessary in future if proposed measures are insufficient. But why not restrain ownership now and curb the growth of congestion realistically?

Restraint on ownership may be difficult to enforce, but it would tackle the problem of road congestion at root level.

The proposed measures aim to stop 'the growth of congestion on the roads of Hong Kong, in particular the urban areas'. What we should be aiming to do is to stop the congestion itself, through restraint of ownership together with a programmed annual reduction of the number of vehicles on our roads. To an extent, we are misdirecting our arrow, aiming at the outskirts of the problem instead of the heart; for even if the three Bills succeed in reducing the growth of congestion, the existing road congestion has already reached the crisis stage. As a member with special interest in the New Territories, I must ask if the three Bills will stop the same problems of road congestion from occurring in the outlying areas in the years to come. I would like to see the further expansion of the K.C.R. to service new town developments like Tuen Mun and Yuen Long.

We are told that the new towns have provided more housing, but have also added to the traffic burden, partly because 'the change in place of employment usually lags behind the change in domestic address'. Very often, trunk roads and public transport routes and depots are the last to arrive at the ball.

Even as we discuss these three Bills, I wonder how many Government cars are sitting idly in the car parks below us? And how long it will be before we are forced to consider employing helicopter units for law enforcement and other services in Hong Kong.

At present, wheels still turn round on our roads wherever we go, if just barely, but where, and when, they will stop altogether at this rate, nobody knows.

With these remarks, Sir, I support the motion but not without reservation.

MRS. CHOW:—Sir, I rise to agree with the Secretary for Transport on the following points:

- (1) Congestion, sometimes serious and regular, is affecting certain parts of our road system.
- (2) Private vehicles, as well as other goods vehicles and public transport modes, contribute to this congestion.
- (3) Some measures must be adopted to check the unrestrained growth of vehicles.
- (4) Since private vehicles are comparatively less efficient in passenger movement, they should therefore be subject to more constraints so as to give way to other more efficient modes of road users.

These points, I believe, make up the broad principles behind the three Bills before this Council.

However, having agreed to the broad principles, I stand firmly opposed to the proposed measures and I shall endeavour to explain why.

I do not believe that the measures as contained in the Bills are the right means to achieve the aims of curbing the growth of private cars. Furthermore I am in principle opposed to resorting to fiscal means of restraint which are socially discriminatory and economically inflationary. After all, the rich and powerful will always be beyond the net of control if the measures are exclusively fiscal. Moreover, increases of this nature will always filter down the economy and be passed back to the general public. But there are practical reasons too for my objection.

Let us first examine the basis for the proposals.

The Secretary for Transport painted a grim picture indeed. He first warned of the possibility of deterioration to the point of immobility. He then gave us the frightening effects of such immobility on the economy, on law and order, and on life and property. He threatened total congestion which he termed 'a traffic lock-up', which, fortunately, seems to have only affected 'other urban areas'. Not a picture too different from the one envisaged in urban London 20 years ago. Yet traffic is something which self-regulates to a certain degree and Central London is still flowing rather freely without measures which comes even close to what are before us.

We are told we must face facts and be courageous enough to take measures which might not gain public acceptance but which are for the benefit of the community as a whole.

Let us take a hard look at the facts. I am convinced that there is little time left for trial and error. We must get the thinking right and the right thinking must be based on the right reasons and the right analysis of facts and figures.

The Secretary for Transport told us that in spite of the 24% per annum increase in the expenditure on road building in the last decade, the road capacity has only increased by not more than 3% per annum. What we need to know is the increase in capacity of the urban main roads where most congestions occur.

The 3% increase in road capacity was then put against the increase in vehicles of 8.4% per annum from 1971-81 and the increase in private cars of 15% per annum over the past five years. Surely the more appropriate figure to be examined here is not the growth rate of private cars but the increase in vehicle mileage (or rather vehicle kilometre if metric is preferred).

I am sure honourable Members will agree with me that figures when used to substantiate a case must not mislead, and we have to ensure that when comparisons are drawn, we are comparing like with like. For instance, when comparing our number of registered vehicles per kilometre of trafficable road space with other territories, we should really compare ourselves with other urban areas. Our 282 vehicles per kilometre should thus be compared to figures of London, Munich and Tokyo rather than United Kingdom, West Germany and Japan which must necessarily include the 'B roads' in the Highlands of Scotland, the Black Forest and the fishing villages in the Southern part of Kyushu.

Furthermore, figures were again given to substantiate the evidence of congestion. 86 additional buses were required to keep up the 1979 level of service in 1981, we were told; tram mileage dropped by 38% over a ten year period since 1971. However both these figures could be due to cases other than congestion. After all, we do have an unusually high percentage of buses off the road for maintenance or other reasons. As for trams, the drop in tram mileage could well be due to increasing alternatives offered by other modes of public transport.

Nevertheless, I am prepared to agree that some form of restraint on the rate of growth in vehicles are called for.

If I may now turn to the 5% increase per annum in private cars, which is regarded by the Secretary for Transport as manageable.

The 1976 Comprehensive Transport Study recommended a 5% per annum restrained growth rate as acceptable. Had this been adopted at that time, the number should now stand at 169 000. In fact, the number now stands at 217 000.

The same study projected the tolerable number in 1991 to be 280 000.

If the growth rate is contained at 5% per annum as from today, the figure we end up with in 1991 will be 336 000, which exceeds the tolerable number by 56 000.

If we are to accept the C.T.S. figure of 280 000 by 1991, the manageable percentage in only 3%.

Another point raised was the 56 locations of congestion which are projected to rise to 132 within five years if the current rate of growth continues. With 5% increase, how many such locations will there be in five years?

There is another difficulty with the proposed 5%. We have been told that private cars have been growing at a rate of 13% per annum. In order to reduce this by 8% to the projected 5%, the percentage of reduction is in fact 62%. In actual number it aims to reduce the growth from approximately 28 200 to 10 800 vehicles for the coming year.

How can we be sure that the present proposed measures can help us achieve the numbers we hope to reach? Confidence ebbs further in the face of uncertainty expressed by the Secretary for Transport himself in his proposals. Will we find ourselves involved in the same arguments in 12 or 18 months' time when further fiscal means have to be proposed should the present ones not help us reach the desired effect? In other words, are the proposed measures sure enough to be effective?

In our present situation, it is vital that all possible alternatives are meticulously explored and considered and if drastic measures are deemed necessary, we must ensure that they will be effective.

I consider that it is by far safer with the more direct and effective measure of limitation on the number of vehicles. This has already been outlined at some length by the Secretary for Transport. In fact, he warned of the possibility of this method if the proposed measures prove insufficient. It is undoubtedly more positive and predictable. As for the difficulty in allocation methods, let me hasten to point out that the Government has had no difficulty in limiting the numbers of taxis and P.L.B.'s. In fact I fail to see why a ballot system cannot be adopted. Socially speaking, it is infinitely fairer than the fiscal measures, for the chance is equal for every applicant. Flippant applications can be weeded out by the requirement of a deposit equivalent to the first registration tax, which is refundable to unsuccessful applicants.

The other important purpose of the proposed measures is to reduce road usage, thereby reducing congestion. I fail to see how the steep increase in annual license fees could deter the existing car owners from road usage as these fees are fixed costs and in fact it would be cheaper per kilometre with increased usage. The increase in duty on light oils becomes the only real deterrent against additional mileage. But how effective will this fiscal deterrent be, and for how long?

Again more positive methods are called for.

The one method that seems extremely sensible and suitable for Hong Kong is the odd even day restricted usage for certain seriously congested zones such as Central, King's Road, Waterloo Road. Enforcement must be made as simple as possible and the most practicable way is to use the last digit on the car registration number to correspond to the odd and even days of the week; leaving

Sundays and holidays open for all vehicles. Such a method will not inconvenience users of non-congested areas. As for it being a possible encouragement towards purchase of more vehicles, this can be easily deterred by the measure of limited growth.

The odd even day method has proven to have worked in Lagos and Baghdad successfully and should work equally well here. Naturally it will not help congestions caused by goods vehicles in industrial areas such as Kwun Tong or P.L.B.'s in Mong Kok.

At this point, I must express disappointment over the way in which the Government has chosen to arrive at the measures proposed. I can well understand that absolute confidentiality of the proposed package was necessary to avoid an onslaught of registration and renewal of licenses. What I object to is the failure of Government to involve motorists in the broad discussion of which measures they would prefer, should control be necessary. There has been too little public debate on the issue, and Government has certainly not encouraged it. Here I am only referring to public representation after the introduction of the Bills but rather comprehensive research into the views of the so called silent majority before the measures were decided on. Consultation across the board should have been conducted. After all we are not just looking at the future. There are already 217 000 car owners in our community and I suspect a large proportion of these are quite prepared to accept measures other than fiscal ones provided they are fair and easy to comply with.

Government has disavowed any financial motivation to the proposed measures. It might be more convincing if we can be informed of how the additional revenue is to be spent and whether it can be spent on the further improvement of our transport system.

Another assurance from Government is also welcome, i.e. Government's policy on its existing fleet of private cars. This is all the more important as they are exempted from First Registration Tax. Will there be a strict limitation on expansion and usage, or will we continue to witness senior civil servants arriving at and departing from official functions singly in their respective vehicles?

Finally, Sir, I would like to reiterate my opposition to the proposed measures because I believe they are not only socially discriminatory and economically inflationary but also arbitrary and stop-gap; but perhaps most important of all, I am against them because of the uncertainty that surrounds them and the lack of assurance that they will be effective.

MISS TAM:—Sir, I am in support of this motion.

It is true that this proposed package of increase in first registration tax, annual licence fees and light oil duties can be taken as discriminatory against existing or aspiring private car owners, in particular those who earn just enough to keep a medium or small size car; and that it can create hardship to residents in the New Territories where public transport is scarce. However, if we are to

come to grips with the problem of traffic congestion, this package is one of the necessary measures that will ease the pressure of heavy traffic on our roads. Having heard the hard-hitting and very eloquent speeches of my senior Colleagues who see flaws in this proposed package, flaws which we must accept do exist, I would like to get down to the basics.

It is not in dispute that the growth of the number of private cars (13% per annum in the last five years) has out-stripped the increase in the capacity of our roads (3% per annum in the last five years); that the street pattern in the developed urban areas are set with very limited opportunities of improvement and that the speed of transportation of passengers by franchised buses and trams have dropped significantly; and that some measure must be taken to reduce the number of vehicles on our roads.

How do we decide on our priorities? Why do we restrain private cars?

In 1981, the franchised buses carried 3.35 million passengers and the trams carried over 440 000 passengers per day. It is clear that public transport vehicles must have priority in using the road because they serve the great majority of commuters.

There are over 64 000 goods vehicles using the road and no doubt this also contributes to traffic congestion. However, it is not possible to find alternative method of goods transportation on land, (except the K.C.R. which is on a fixed route) and we cannot therefore restrain the use of such vehicles without a good study of their usage.

Hence if we are to restrain the use of any vehicle the only feasible measure is to restrain the use of private cars because their users have no lack of alternative means of commuting: e.g. by buses, trams, taxis, maxicabs etc. and is therefore not hindered from carrying on their daily activities.

Is there any other ways of restraining peak hour traffic?

In paragraphs 57 to 59 of the Secretary for Transport's Speech, different ways of restraining the growth of private vehicles or to prevent them from coming into the urban areas at peak hours have been canvassed. (Such as odd and even day usage; or road pricing system or area licensing scheme and, indeed, it is on this alternative that Community Services Group have spent many a heart-searching hour). It is apparent that none of these alternative systems can be effectively enforced without a significant increase in manpower or equipment, which will pass on the financial burden to all tax payers and not only the car owners.

It is true that some aspiring car owners will find it difficult to own and operate a private car as a result of these increases in taxation. He may have to hire a car for his weekend outings and use public transport in commuting to work. However, this is better than having a car and not being able to use it at leisure because there are more cars than roads to accommodate them.

Hence the proposed package is acceptable and accepted because, by process of elimination, it remains the only proposal which is feasible at the present time.

However, plenty more remain to be done by the Government in order to alleviate our traffic congestion problems.

In his speech moving the motion the Secretary for Transport has, in paragraphs 36 to 48, mentioned the various measures to reduce congestion and we must not lose sight of the urgent implementation of the measures proposed in our Internal Transportation White Paper. I think it is important that the Government permits and encourages the growth of the following services in order to supplement our public transport system:—

Residential coaches

Sir, I mention this because I heard the question that if you asked people not to use their cars, what kind of alternative are you giving them since the existing public transportation system is insufficient? Hence I mention residential coaches.

These are coaches operated for the benefit of residents of private housing estates such as Baguio Villas, Fortress Gardens, Hong Lok Yuen or Fairview Park and carry them to or from the urban area at peak hours. There should be positive encouragement to other housing estate Mutual Aid Committees to organize and apply for licences for such operations so that the residents need not drive into the urban area. Up till May 1982, only 27 licences have been issued and there are far, more private housing estates than this, hence I suggest encouragement.

Maxicab in the New Territories

I bring out this point because I appreciate the difficulty of New Territories residents in commuting.

At present there are 29 maxicab routes operating in the New Territories. However, on examining the service area of these maxicabs one finds that they are operating mainly in Sai Kung, Sha Tin and Tsuen Wan area, and not the rest of the New Territories. Since this proposed package of tax increase may create hardship on N.T. residents who cannot now afford to purchase private cars, more maxicab services should be extended to the remote areas of the New Territories to serve the residents there.

Improving the existing public transport services

There are many ways which have already been canvassed by my senior Colleagues and I particularly point this one out because it is stated in paragraph 35 of the 1981 Transport Departmental Report that there is a shortage of between 32 and 80 China Motor Buses in its scheduled daily requirement. In the light of the priorities given to buses in Eastern, Central and Pokfulam areas on Hong Kong Island the C.M.B. must provide the public with a satisfactory service so as not to abuse the privilege of enjoying a monopoly.

Whether the proposed measures as to how effective they will be to restrain the growth of private cars exactly remains to be seen. The figures given in the package that was used in Singapore, since it suggests two years of reduction and two years of control under 5% growth in private cars, so there is some breathing space. Certainly this package is not the only answer to our transport problem. In fact the need is for overall improvement and no doubt this breathing space should be properly made use of.

With these observations, Sir, I support the motion and the two other related Bills.

MR. LO:—Sir, I accept that it is the job of the Chairman of T.A.C. to try to organize the presentation of public views to the Government. The time unfortunately will not permit me the luxury of summarizing into a cohesive whole references to views characterized by such objects as Miss BENNETT's wealthy rich, Alex WU's mooing cows, Charles YEUNG's motoring fishermen, Mr. CHEUNG Yan-lung's ivory tower, Father MCGOVERN's P.P.M.P. and Selina CHOW's cars of Baghdad.

Actually, Sir, it's not surprising that our roads are dangerously over-congested. We have simply not been spending enough on them. Two years ago, I drew the attention of Council to the fact that over a period of five years from 1975 to 1980 our relative capital expenditure on roads was halved. Expenditure on roads was 17.8% of total capital expenditure in 1975 but this was steadily reduced until 1980 when it stood at 8.2%. Although we have built a M.T.R. and have modified the K.C.R., these have not helped the movement of goods around Hong Kong, and to the extent that the moving of goods domestically has been increased this has had to be accommodated exclusively by the road system.

Moreover, if I may I would like to echo Father MCGOVERN's strictures on the bureaucracy. Indeed, it was only last year that the Government had, en passant, acceded to the concept of creating a Transport Branch, thus giving rise ultimately to its establishment and to the distant hope of the founding of a cohesive transport policy. This, I hope will allow us to make better use of the sea and, through proper planning, more industrious enforcement measures as well as genuine monitoring procedures, better use of the road system.

Meanwhile, I fully if sadly accept that we need to adopt measures to reduce the growth rate of private cars and I'll like to pay tribute to the Secretary for Transport for grasping this nettle so soon after his appointment. I recognize of course that other methods than those proposed might be more politically acceptable such as by direct restraint which would give today's motorists an advantage over the motorists of tomorrow, and would, of course, ultimately create a market for licences. In fact, no matter what method of restraint we use, car ownership will henceforth be a luxury and it will be an unhappy necessity for those affected to adjust to this hard fact of life.

It would seem less unfair to them if the restraints applied equally to civil servants and on this last point I would welcome any suggestion that the Secretary for Transport may have to reduce the use of cars by that privileged class of civil servants which is at present subjected to no fiscal pressure on car use.

THE FINANCIAL SECRETARY:—Sir, several Members have raised a number of points to which I must respond.

The measures which are proposed are fiscal in nature. But they are not being introduced for the specific purpose of raising revenue. Arguments have been advanced to justify the proposals on revenue-raising grounds. The Government's position is that the proposals must stand or fall on the arguments which have been advanced on other grounds by the Secretary for Transport.

Their effect, however, will be to impose higher rates of taxes and charges. Increased revenue is expected, and revenue, Sir, is revenue regardless of the reasons for the measures that give rise to it, and must be protected and treated as such. All revenue collected must be paid into the General Revenue and is not available for use unless appropriated by this Council. There can be no question, Sir, of hypothecating revenue from any particular source for any particular purpose, as the Financial Secretary has already said.

At least one Member thought he detected an inconsistency in the Financial Secretary's approach, and referred to an abandonment of principle. I can find no evidence of this. The Financial Secretary said that he was opposed 'as a general rule to the concept of taxation for non-fiscal ends'. The fact that he was persuaded that fiscal measures were necessary, designed to act as restraints directed at vehicle ownership and usage, did not involve the abandonment of any principle. Indeed, the possible need, in exceptional circumstances, to achieve policy objectives *via* fiscal measures has for long been recognized, and has been referred to in a succession of budget speeches since at least 1973. The proposals now under consideration are not the first time that fiscal measures have been used to achieve certain non-fiscal objectives; there are many other examples.

Sir, I should like to remove some misconceptions as regards the budgetary implications of these proposals. The budget for the current year envisages a surplus of over \$5,000 million, taking the General Revenue Account with the Capital Works Reserve Fund. It is possible that the actual surplus may be somewhat less, having regard to increased expenditure not budgetted for, but subsequently approved by the Finance Committee of this Council, and having regard to possible lower yields in certain revenue items, in particular land sales. But whatever the eventual outcome, there is no reason to think that a surplus will not be achieved.

As the Financial Secretary explained in detail in his budget speech, any constraint on public sector expenditure in the current year is not the result of a

lack of funds. We have budgetted for a surplus, and we have a very healthy level of free fiscal reserves. Our concern, shared by a number of Unofficial Members of this Council, has been with the relative size of the public sector, and with the growth rate of the public sector which, for 1982-83, is still higher than the forecast growth rate of G.D.P.

The additional revenue which may arise from these proposals will be, as the Financial Secretary said, an unexpected windfall which will be treated with our usual prudence. There can be no question of adding to the relative size of the public sector, and to the growth rate of public sector expenditure, by looking for projects on which to spend this windfall. The estimated size of this windfall is, in any event, uncertain. The figure of \$1,000 million which has been mentioned was calculated on the same assumptions as were used in the original estimate for the budget. To the extent that the proposed measures are effective, as I hope they will be, the amount of additional revenue will less and could be very much less.

THE ATTORNEY GENERAL:—Sir, I rise to answer the point made by my honourable and learned Friend, Mr. YEUNG, when he said he could not help entertaining doubts as to whether the three Public Revenue Protection Orders do not go beyond the spirit and intendment of the Ordinance, and made reference to the answer given in 1974 by my predecessor the Attorney General, Mr. John HOBLEY, Q.C., in this Council. The short answer to both these matters, and a similar point raised by my honourable Friend, Mr. Alex WU, is that whatever the ultimate objective of the legislation, the immediate purpose of the Orders was to protect the revenue. Those who are interested will find in Hansard in 1927 the history of why the Orders were first introduced.

Their underlying purpose remains as necessary today as it was then. I am pleased to note that my honourable Friend, Mr. YEUNG, specifically agrees that:

‘... the ... Orders are within the ambit of section 2 of the Ordinance’,

and I am as pleased to note that in November 1974 the then Senior Unofficial Member, Mr. Oswald CHEUNG, Q.C., reached the same conclusion about first registration tax on motor vehicles.

Sir, that being the case, that they are within the Ordinance, I myself have no doubt whatsoever that it was for the purpose of protecting the public revenue, and for that purpose alone, that the Orders were made in the current cases. The objective of the legislation, namely, to assist the control of traffic, is one thing. The means to achieve that objective requires the raising of various taxes and duties. And I have now been long enough in Hong Kong to recognize that had an announcement been made that first registration tax was going up there are those who quite unfairly would have taken advantage of the occasion to buy motor cars (*laughter*). It seems to me the same might be said of the annual licence duty and indeed, that other wicked people would have been tempted to fill up the tanks of their cars with petrol before the price rose (*laughter*). In those

circumstances, I find it difficult to see how it can be suggested that the Orders were not made to protect the revenue.

Sir, I would suggest also, speaking for myself, that they were equitable too, because they did ensure that no member of the community was able to steal a march over another.

Sir, with those observations I support the motion.

SECRETARY FOR TRANSPORT:—Sir, that no less than sixteen Unofficial Members have spoken on this Bill and the two related Bills indicates the seriousness with which they, as well as the Government, have examined the proposals. The late hour also testifies to our deep concern. There is almost complete agreement on the need to act to restrain the rate of growth of motor vehicles, and there has been strong support from several Members for the proposals put forward, as well as strong disagreement from some others. There is also a range of what I might call qualified support.

I spoke at some length on 5 May when moving these Bills and shall where possible avoid the dubious pleasure of repeating myself. Unofficial Members will, I hope, accept that no discourtesy is intended if I do not refer to every point in their very thoughtful speeches.

Several Members spoke with considerable feeling of the effect on the aspirations of would-be motor car owners—describing the proposals as discriminatory, and favouring the rich, and a number of other analogous statements.

The Government believes that it is in principle undesirable to move now to deny aspirations of ownership completely and that other measures should therefore be tested before direct restraint on ownership is resorted to. No system that we have been able to think of, or that has been suggested, can be perfectly fair; each has inequities and disadvantages, either from the point of view of the individuals affected or of the community as a whole. It is a question of balancing the inequities against the social and economic benefits.

But the situation required action—that appears to be generally agreed—and it was concluded as a first step, that the proposals are the least inequitable, and broadly speaking they leave individuals to decide, in the disposition of their budgets, whether to continue to run a motor vehicle, or whether to acquire one or not. It is indeed undesirable, but it is regrettably unavoidable that aspiring owners will have had to review their position, and some will as a result have had to defer their aspirations.

Several Members indicated that they would support direct limitation of the growth of vehicles, that is, restraint on ownership. This is not, by the way, the ‘Singapore system’ as the Reverend BENNETT thinks. Singapore does not directly limit numbers. It has a registration tax and licensing system which together are more severe than the proposals under discussion here. Nor, as Miss BENNETT

thinks, do I consider there are 'insurmountable difficulties' (her words, not mine) in introducing direct limitation of numbers; inequities, yes; windfall profits, yes; and probably a market in vehicle licences, as Mr. T. S. LO pointed out a moment ago. I look forward to Miss BENNETT's support and to that of Mr. S. L. CHEN, Mr. CHEUNG Yan-lung, and Mrs. CHOW if a system has to be introduced of this type, and to their advice on how to run it. It will not, I fear, be as easy as Mr. CHEN thinks to 'allocate vehicles only to genuine first time owners who are in need of a car and have the means to afford it'. (I think Solomon had an easy problem in comparison with that). And Mrs. CHOW obviously has not thought out the implications of a ballot system, if she thinks that is 'infinitely' fairer.

Miss BENNETT has baffled me with her dual proposal that growth should be nil or even negative, while at the same time businessmen should be encouraged to seek out abandoned cars, and hand them over to the authorities in order to get licences for new cars (*laughter*).

Two Members, Sir, claimed that there is an inflationary effect in the proposals. There is no doubt that to a person continuing to own a car or to a person in future acquiring a car, the cost of motoring will have gone up. We must however look to the overall economic effect of reducing the rate of growth in vehicles at the same time as we further improve road capacity and public transport. Congestion will be eased, and goods vehicles and public on-road transport will be able to move more easily, and hence more economically.

Four Members, most notably Miss DUNN, criticized the transport development programmes of previous years, insisting on better public transport and, in one case, the expansion of the railway system. I will start by referring to Mr. Stephen CHEONG's speech earlier today, and I am most grateful to him for his lucid support. He mentions the development of the Mass Transit Railway and the modernization of the Kowloon-Canton Railway. Let me point also to the expansion in carrying capacity of the two major bus companies by 50% over the last 3½ years, and to less dramatic improvements in other forms of public transport. These improvements and developments will continue, with the active direction and encouragement of Government and, I am sure, of the Transport Advisory Committee.

On a smaller but nevertheless important scale, I assure Miss Maria TAM that continuing effort is being put into increasing residential coach services and the further development of maxicab routes. I would mention also in this connection the private hire car system instituted last year.

To return to Miss DUNN's wide-ranging examination of the transport scene: her appreciation of the predicament of all of us concerned with transport policy is noted with gratitude. As Secretary for Transport, I am bound to warm to her proposal to give 'an absolute priority to the development of the transport infrastructure and operational services'; but her proposal springs from the effects in the latter 1970s on transport of having given an absolute priority to

housing. We surely do not want to repeat that distortion, in some other field, or at least to run the risk of doing it.

The Government believes that the recent changes in the conduct of transport policy—to strengthen the function and to enable better co-ordination are the way to get the balance of priorities right—and those changes were in no small measure due to the pressing advice of Unofficial Members, in particular Mr. T. S. LO who has spoken briefly but eloquently today, and Miss DUNN herself. We *are* moving on the several fronts to which Miss DUNN refers, and it is most encouraging to know that her support will be forthcoming for robust solutions and forward-looking inter-related policies.

Mr. Charles YEUNG and Mr. CHEUNG refer to the particular problems of New Territories residents. It is indeed true that the measures proposed, broad-brush as they are, cannot take account of the fact that congestion is not, so far, a problem in the New Territories. I did, however, outline the difficulties in implementing a peak-hour licensing or area licensing system which did not apply territory-wide, in paragraphs 57-59 in my speech of the 5 May. I regret that even after further examination, such systems are not considered feasible in Hong Kong's present particular circumstances.

Mr. Alex WU, in disagreeing with the proposals, refers to the Chinese proverb 'to trim one's toes to fit one's shoes'. He then suggests larger boots for the sacred cows, a mode of transport which does not as yet appear in our integrated plan (*laughter*). But seriously, he offers no alternative proposals or advice, so must we assume that he, alone of all Members, believes that there is no problem, or that the situation is hopeless? I suggest to him that we must face facts and 'cut our coat according to our cloth' (*laughter*).

Dr. Harry FANG recommends consideration of a further concession for disabled drivers in respect of first registration tax. Disabled drivers, as certified by the Director of Medical and Health Services, can claim exemption from payment of the driving test fee, the provisional driving licence fee, the driving licence fee and most important the vehicle licence fee in respect of a vehicle below 1 000 c.c. capacity. This last benefit would be improved by raising it to 1 500 c.c. if the proposal to amalgamate the engine capacity bands for licence purposes is approved, and it of course becomes relatively larger when licence fees are increased.

Although it appeared rather difficult at first, we think we now have a possible system whereby the concession Dr. FANG has in mind on first registration tax could be managed. The Secretary for Social Services has asked me to say that Dr. FANG's proposal will be examined accordingly.

Reverting to the subject of Singapore, Sir, it is as far as we know, the only country which has successfully reduced the growth rate of vehicles by fiscal measures, but it is a fact that it is one of the few countries which has actually tried seriously to do this. Mr. Alex WU's speech outlined the Singapore scheme and the effects. Over the period he quotes, if I add up his figures correctly, that

is, six years from 1976 to 1981 inclusive, the growth appears to have been 13.8%, that is, over six years on the 1975 end of year base. That appears not unsuccessful. But there comes a point when the overall adverse effects of increasingly severe increases are worse than the beneficial effects on vehicle numbers. They should not be regarded as a final solution. The final solution must be more equitable, as well as preferably not removing the opportunity of ownership of a vehicle.

No one, including the Government, has claimed to predict with certainty what degree of effect the present proposals will have: and I was grateful to Mr. WONG Lam for endorsing the Government's thinking when he said:

‘in view of the urgency of the problem, and the difficulty in designing simple and feasible measures which are both reasonable and fair, I agree that Government should first adopt these proposals as expedient measures but continue to look for fairer and more effective means which are directed at curbing usage rather than ownership’.

I note that Mr. K. C. CHAN's analysis of the problem brought him to much the same conclusions.

This debate, Sir, would not have been complete without the Reverend MCGOVERN's customary eclectic diatribe against the Government and the Civil Service (*laughter*). Respecting his appeal to brevity, I shall not conduct Members on a lengthy journey through the lacunae in his facts and logic. Furthermore, I forgive his dreadful pun, and defer to his institutional expertise in the field of propaganda (*laughter*). But I did not, Sir, by any means seek to conceal the larger than threefold increase in the licence fees of the smallest capacity cars. A reading of paragraphs 63 and 68 of my speech will confirm this. In the light of his well-known stance on social matters, it is hard to believe that Father MCGOVERN really thinks that Government should have in the past, or should in the future, so order development programmes in the allocation of priorities that private motor cars should be able to travel in unrestricted numbers wherever they wish, regardless. I touched on the effects of this in my speech of 5 May, paragraphs 30-34 and 37 in particular. It would amount to social injustice on a very large scale indeed. The fact is that the distortion of the balance of expenditure which affected the transport programme in the latter 1970s was, as I said a few moments ago, largely the result of absolute priority within the capital works programme being given to housing.

Mrs. CHOW favours the introduction of odd-and-even-day restricted usage for private cars in congested areas. Conceptually, Sir, a simple and a fair idea, but in practice two-car owners are at an immediate advantage over one-car owners, assuming they can get their licence plates so arranged, and the difficulty in policing the use of false plates, and the manpower required for equitable enforcement, make it a non-starter in the conditions of Hong Kong. Please note that I am not saying that in small, defined, localities elsewhere it has been made to work. I am however saying that the Administration has examined a large

number of ideas, bright and otherwise; but with its customary broadmindedness, even if a trifle wearily, will continue to do so (*laughter*).

As to vehicles per kilometre of trafficable road space, I did specify that the figures given for other countries were 'countrywide'. For Mrs. CHOW's further information, the figure for the Greater London Council Area is 177 vehicles per kilometre, as compared with the 282 vehicles per kilometre for the whole of Hong Kong including the roads of the New Territories, which are every bit as picturesque as the Black Forest (*laughter*).

I assure Mrs. CHOW that the figures given as examples—they are, of course only examples—of the effects of congestion exclude the effect of maintenance standards or other reasons in respect of buses: the first example which I gave was the number of additional buses necessary to maintain a given level of service, when road speed drops. As for the tram mileage dropping by 38% over the 10 years since 1971, this again reflects lower speeds achieved due to increasing congestion; it has nothing to do with alternative modes of transport. We are talking here about how far the trams can travel in a given time, not about how many people they can carry.

Mrs. CHOW while accepting the need for confidentiality accuses Government of failing to involve motorists in a broad discussion of these measures or indeed of any measures which they might prefer. She says 'there has been too little public debate on the issue and Government has certainly not encouraged it'. Most of us have been surprised that public reaction has not been more copious, as Miss DUNN noted. This in itself of course is no reason to assume that more people do not feel strongly, either way, on the proposals. But the Government does not accept her accusation: the reasons and background for the proposals have been thoroughly aired, including making copies of my 5 May speech available in Chinese and English texts to the media, to those who asked for copies, and, I blush to admit, to a number of people who didn't actually ask (*laughter*). Further, it was agreed with Unofficial Members that this debate should not be resumed until four weeks after the Bills were introduced, so that public opinion could be expressed, and made known to Unofficials in the usual way.

Mr. T. S. LO, Sir, notes that it would seem fair that restraints be applied equally to 'that privileged class of civil servants whose use of cars is subject at present to no fiscal pressure'. Mrs. CHOW asks for an assurance on Government's policy in respect of its fleet of private cars. Government has two roles in this connection, to some extent conflicting: it is a large employer with a policy, broadly speaking, of being a good employer and taking account of practice in the private sector. At the same time, it has to establish and to implement transport policies for the community as a whole. The Director, Councils and Administration Branch in the Government Secretariat has asked me to assure Mr. LO and Mrs. CHOW that a strict watch will continue to be kept on the use of and proposed additions to the fleet of saloon cars, which is managed by the Government Land Transport Agency. The Secretary for the Civil Service and I

will certainly consider the aspects raised by Mr. LO, and my colleague has told me that he will ensure that they are drawn to the attention of the Standing Committee on Directorate Salaries and Conditions of Service which advises the Governor in Council on such matters.

Sir, may I conclude by saying that I entirely share the sentiment expressed to me outside this Council by one of my Unofficial Friends—that if these Bills are passed, after a debate which has revealed such strong opinions, it will not be a matter to be regarded as some sort of victory, but rather a sober realization that these unpalatable measures are being accepted as necessary to prevent further deterioration of the traffic situation, while we press forward with our programmes.

Like all Members who have spoken, Sir, my remarks apply to the two following related Bills and I understand that Members will not be speaking separately upon them.

Question put and agreed to.

Bill read the second time.

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

ROAD TRAFFIC (REGISTRATION AND LICENSING OF VEHICLES) REGULATIONS (AMENDMENT) BILL 1982

Resumption of debate on second reading (5 May 1982)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

DUTIABLE COMMODITIES (AMENDMENT OF DUTY ON LIGHT OILS) BILL 1982

Resumption of debate on second reading (5 May 1982)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

DUTIABLE COMMODITIES (AMENDMENT) BILL 1982

Resumption of debate on second reading (19 May 1982)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

THE ATTORNEY GENERAL:—Sir, before the Council move into committee stage, I move that further consideration of the Roads (Works, Use and Compensation) Bill be now adjourned to the next meeting of this Council.

HIS EXCELLENCY THE PRESIDENT:—The motion is that consideration of the Roads (Works, Use and Compensation) Bill be now adjourned to the next meeting of this Council.

Question put and agreed to.

Committee stage of bills

Council went into committee.

ESTATE DUTY (AMENDMENT) BILL 1982

Clauses 1 to 7 were agreed to.

INLAND REVENUE (AMENDMENT) (NO. 2) BILL 1982

Clauses 1 to 13 were agreed to.

FERRY SERVICES BILL 1982

Clauses 1 to 11 were agreed to.

Clause 12

SECRETARY FOR TRANSPORT:—I move that clause 12 be amended as set out in the paper circulated to Members.

Proposed amendment

Clause 12

That clause 12(2) be amended by deleting ‘agreement in force under section 22 relating to the planning of’ and substituting the following—

‘plan in force under section 22 relating to the’.

The amendment was agreed to.

Clause 12, as amended, was agreed to.

Clauses 13 to 17 were agreed to.

Clause 18

SECRETARY FOR TRANSPORT:—I move that clause 18 be amended as set out in the paper circulated to Members.

Proposed amendment

Clause 18

That clause 18 be amended—

- (a) in subclause (1) by deleting ‘15(4)’ and substituting the following—
‘15(3)’; and
- (b) in subclause (4) by inserting after ‘48 hours’ the following—
‘otherwise than in accordance with section 15(3)’.

The amendment was agreed to.

Clause 18, as amended, was agreed to.

Clauses 19 to 21 were agreed to.

Clause 22

SECRETARY FOR TRANSPORT:—I move that clause 22 be amended as set out in the paper circulated to Members.

Proposed amendment

Clause 22

That clause 22(3) be amended by deleting ‘or agreement’.

The amendment was agreed to.

Clause 22, as amended, was agreed to.

Clause 23

SECRETARY FOR TRANSPORT:—I move that clause 23 be amended as set out in the paper circulated to Members.

Proposed amendment

Clause 23

That clause 23(1) be amended by deleting ‘term of any agreement’ and substituting the following—

‘provision of any plan’.

The amendment was agreed to.

Clause 23, as amended, was agreed to.

Clauses 24 to 27 were agreed to.

Clause 28

SECRETARY FOR TRANSPORT:—I move that clause 28 be amended as set out in the paper circulated to Members.

Proposed amendment

Clause 28

That clause 28 be amended by inserting after subclause (5) the following—

‘(6) Where 2 or more persons apply, or it appears to the Commissioner that 2 or more persons are likely to apply, separately for a licence to operate substantially the same ferry service between the same points, the

Commissioner shall, without prejudice to this section, make arrangements for such applications to be made by way of public tender in such manner and within such period as he may determine; but the Commissioner shall not be bound to grant any application so made, and any application relating to such ferry service which is made otherwise than in accordance with such arrangements while they are in force shall not be considered.

(7) Any person whose application for a licence is not granted by the Commissioner may appeal in writing—

- (a) against the decision of the Commissioner, within 28 days of the date of such decision, to the Secretary for Transport who may confirm or set aside such decision after considering any written representations submitted to him by the appellant and the Commissioner in respect of that decision; and
- (b) if he is aggrieved by the decision of the Secretary for Transport, to the Governor in Council within 28 days of the date of that decision, and the decision of the Governor in Council on any such appeal shall be final',

The amendment was agreed to.

Clause 28, as amended, was agreed to.

Clauses 29 to 46 were agreed to.

MOTOR VEHICLES (FIRST REGISTRATION TAX) (AMENDMENT) BILL 1982

Clauses 1 and 2 were agreed to.

ROAD TRAFFIC (REGISTRATION AND LICENSING OF VEHICLES) REGULATIONS (AMENDMENT) BILL 1982

Clauses 1 and 2 were agreed to.

DUTIABLE COMMODITIES (AMENDMENT OF DUTY ON LIGHT OILS) BILL 1982

Clauses 1 and 2 were agreed to.

DUTIABLE COMMODITIES (AMENDMENT) BILL 1982

Clauses 1 and 2 were agreed to.

Council then resumed.

Third reading of bills

The ATTORNEY GENERAL reported that the

ESTATE DUTY (AMENDMENT) BILL

INLAND REVENUE (AMENDMENT) (NO. 2) BILL

MOTOR VEHICLES (FIRST REGISTRATION TAX) (AMENDMENT) BILL

ROAD TRAFFIC (REGISTRATION AND LICENSING OF VEHICLES)
REGULATIONS (AMENDMENT) BILL

DUTIABLE COMMODITIES (AMENDMENT OF DUTY ON LIGHT OILS) BILL and
the

DUTIABLE COMMODITIES (AMENDMENT) BILL

had passed through Committee without amendment and the

FERRY SERVICES BILL

had passed through Committee with amendment and moved the third reading of each of the
Bills.

Question put on each Bill and agreed to.

Bills read the third time and passed.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the
Council until 2.30 p.m. on Wednesday, 16 June 1982.

Adjourned accordingly at twenty minutes past seven o'clock.