

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 25 November 1992

The Council met at half-past Two o'clock

PRESENT

THE DEPUTY PRESIDENT

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

THE FINANCIAL SECRETARY

THE HONOURABLE NATHANIEL WILLIAM HAMISH MACLEOD, C.B.E., J.P.

THE ATTORNEY GENERAL

THE HONOURABLE JAMES KERR FINDLAY, O.B.E., Q.C., J.P.

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

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

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

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

THE HONOURABLE DAVID LI KWOK-PO, O.B.E., J.P.

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

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

THE HONOURABLE SZETO WAH

THE HONOURABLE TAM YIU-CHUNG

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

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

THE HONOURABLE EDWARD HO SING-TIN, O.B.E., J.P.

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

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

THE HONOURABLE MRS MIRIAM LAU KIN-YEE, O.B.E., J.P.

THE HONOURABLE LAU WAH-SUM, O.B.E., J.P.

DR THE HONOURABLE LEONG CHE-HUNG, O.B.E.

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE MOSES CHENG MO-CHI

THE HONOURABLE MARVIN CHEUNG KIN-TUNG, J.P.

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHIM PUI-CHUNG

REV THE HONOURABLE FUNG CHI-WOOD

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE TIMOTHY HA WING-HO, M.B.E., J.P.

THE HONOURABLE MICHAEL HO MUN-KA

DR THE HONOURABLE HUANG CHEN-YA

THE HONOURABLE SIMON IP SIK-ON, J.P.

DR THE HONOURABLE LAM KUI-CHUN

DR THE HONOURABLE CONRAD LAM KUI-SHING

THE HONOURABLE LAU CHIN-SHEK

THE HONOURABLE EMILY LAU WAI-HING

THE HONOURABLE LEE WING-TAT

THE HONOURABLE GILBERT LEUNG KAM-HO

THE HONOURABLE ERIC LI KA-CHEUNG, J.P.

THE HONOURABLE FRED LI WAH-MING

THE HONOURABLE MAN SAI-CHEONG

THE HONOURABLE STEVEN POON KWOK-LIM

THE HONOURABLE HENRY TANG YING-YEN, J.P.

THE HONOURABLE TIK CHI-YUEN

THE HONOURABLE JAMES TO KUN-SUN

DR THE HONOURABLE SAMUEL WONG PING-WAI, M.B.E., J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE HOWARD YOUNG, J.P.

THE HONOURABLE ZACHARY WONG WAI-YIN

DR THE HONOURABLE TANG SIU-TONG, J.P.

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE ROGER LUK KOON-HOO

ABSENT

THE CHIEF SECRETARY

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

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

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

THE HONOURABLE VINCENT CHENG HOI-CHUEN

IN ATTENDANCE

MR DAVID ALAN CHALLONER NENDICK, C.B.E., J.P.
SECRETARY FOR MONETARY AFFAIRS

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

MR MICHAEL LEUNG MAN-KIN, C.B.E., J.P.
SECRETARY FOR TRANSPORT

THE HONOURABLE JOHN CHAN CHO-CHAK, L.V.O., O.B.E., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

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

THE HONOURABLE MICHAEL SZE CHO-CHEUNG, I.S.O., J.P.
SECRETARY FOR CONSTITUTIONAL AFFAIRS

MR ANTHONY GORDON EASON, J.P.
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

MR IAN ROBERT STRACHAN, J.P.
SECRETARY FOR SECURITY

MISS DENISE YUE CHUNG-YEE, J.P.
SECRETARY FOR TRADE AND INDUSTRY

MR KWONG KI-CHI, J.P.
SECRETARY FOR THE TREASURY

THE CLERK TO THE LEGISLATIVE COUNCIL
MR CLETUS LAU KWOK-HONG

Papers

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

Subject

Subsidiary Legislation	<i>L.N. No.</i>
Fire Service (Installation Contractors) (Amendment) Regulation 1992	372/92
Pensions (Amendment) Regulation 1992	373/92
Pension Benefits (Amendment) Regulation 1992	374/92
Ozone Layer Protection (Amendment of Schedule) Order 1992.....	375/92
Insurance Companies (Amendment) Ordinance 1992 (50 of 1992) (Commencement) (No. 2) Notice 1992	376/92

Sessional Paper 1992-93

- No. 28 — The Prince Philip Dental Hospital Hong Kong — Report
by the Board of Governors for the period 1 April 1991 - 31
March 1992

Oral answers to questions**Applied Research and Development Scheme**

1. MR NGAI SHIU-KIT asked (in Cantonese): *Will the Government inform this Council of the reasons for not launching the Applied Research and Development Scheme in August 1992 as originally targetted?*

SECRETARY FOR TRADE AND INDUSTRY: When the Finance Committee of this Council approved funds for the Applied Research and Development (R & D) Scheme in December 1991, Members noted that the detailed arrangements for implementation of the Scheme would need to be worked out by the Director-General of Industry on the advice of the Industry and Technology Development Council (ITDC).

The Scheme breaks new ground for Hong Kong and it has been necessary to give careful thought to, and to obtain expert advice on, a number of complex issues relating to its implementation and the safeguarding of Government's investment. A specialist committee under the ITDC has met six times to consider these issues. This work has taken longer than originally anticipated, but was necessary to ensure that the approach adopted is sound and practical.

I am pleased to report that the work has now been completed and that, on the advice of the ITDC and its specialist committee, the Director-General of Industry has finalized plans for administering the Scheme. Finance Committee's endorsement will be sought shortly. The Scheme will be launched immediately thereafter.

MR NGAI SHIU-KIT (in Cantonese): *Mr Deputy President, the Scheme was originally scheduled to be implemented in August this year and I am afraid the delay may affect the interest of industrialists in participating in the Scheme. Will the Administration inform this Council: (1) what measures the departments concerned will take to encourage the participation of industrialists; and (2) when the Scheme is expected to be launched and applications received?*

SECRETARY FOR TRADE AND INDUSTRY: Mr Deputy President, as soon as Finance Committee approves the various modifications, the scheme will be launched immediately. Our present timetable is that we hope to go to Finance Committee some time next month; so the scheme, we hope, can be launched some time in December. In respect of encouraging industrialists to apply for the scheme, the Director-General of Industry has in fact initiated dialogue with industrialists already. So far, we have already received some very encouraging enquiries from local industrialists. As soon as the scheme has been formally approved by the Finance Committee the Government will mount a massive publicity campaign in order to widely publicize this within the local industrial scene.

MR PETER WONG: *Mr Deputy President, will the Secretary inform this Council whether any funds have been disbursed by the Government for this scheme so far?*

SECRETARY FOR TRADE AND INDUSTRY: Mr Deputy President, the answer is no.

Constitutional reform proposals by the Governor

2. MISS EMILY LAU asked (in Cantonese): *In view of the escalating diplomatic row between Britain and China over the Governor's proposed political reforms, culminating in the Chinese Vice Premier's query on 16 November 1992 on the need to adhere to the Joint Declaration, will the Administration request the British Government to give a full and frank disclosure of the relevant exchanges between the British and Chinese Governments since the Governor's policy address on 7 October 1992 so that Hong Kong people will no longer be kept in the dark on negotiations which affect their future?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: The contents of diplomatic exchanges between Governments are by convention confidential. Members of the Executive Council are briefed on discussions of Hong Kong issues between the British and Chinese Governments.

The British Government's position, as set out in discussions with the Chinese Vice Premier in London, remains as follows:

- (a) Her Majesty's Government strongly supports the Governor and his constitutional proposals, which are fully consistent with the Joint Declaration and the Basic Law;
- (b) there has been no change in Her Majesty's Government's policy towards Hong Kong;
- (c) it remains Her Majesty's Government's wish to work in co-operation with China for a smooth transition on the basis of the Joint Declaration; and
- (d) we are prepared to consider any proposals the Chinese side might have to make.

The Governor has also made it clear that he intends to make himself available regularly to answer questions from Members of this Council and to discuss government policies and proposals. He will next do this on 1 December.

MISS EMILY LAU (in Cantonese): *Mr Deputy President, the Secretary has mentioned in part (d) of his reply that the Government is prepared to consider any proposals the Chinese side might have to make. Will the Government give this Council an undertaking that after considering the proposals, if any, by the Chinese side and where there are amendments or deletions as to any of the proposals outlined in the Governor's policy address, the Administration will*

consult this Council before making a decision and will seek our approval before implementation?

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, the Governor is on record as saying that there will be no secret agreements and it is also the truth of the matter that any proposals that require legislation and funding will have to be approved by this Council. And therefore I do not see how we could agree to radical changes in the Governor's proposals without coming to this Council.

DR CONRAD LAM (in Cantonese): *Mr Deputy President, the Secretary said in his reply that "Members of the Executive Council are briefed on discussions of Hong Kong issues between the British and Chinese Governments". As the Executive Council Members have no representativeness at all, what is the purpose of briefing them?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, the constitution and composition of the Executive Council is laid down in our constitutional documents, namely, the Letters Patent and Royal Instructions. I have got nothing to add to that.

MR NGAI SHIU-KIT (in Cantonese): *Mr Deputy President, will the Government inform this Council if any other documents of this nature are to be disclosed, whether it is possible for the British Government or the Ministry of Foreign Affairs to release the contents of the whole document without any explanatory introduction? I said this because the seven documents disclosed last time were released by the Hong Kong Government and they contained introductory notes.*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, the question is academic as we do not have any intention of releasing any further documents.

MR JIMMY MCGREGOR: *Mr Deputy President, does the Government recognize and acknowledge that a settlement on the Governor's political proposals can be negotiated or brought about by an exchange of views and by discussion in Hong Kong? Particularly, if China continues to refuse to discuss the matter, will the Secretary set out the parameters of such discussion?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, the Governor's proposals are for discussion within Hong Kong and with China. We cannot force anybody to discuss those proposals with us, and the Governor has also indicated that there is a time scale for us to bring legislative proposals to this Council in order that the electoral arrangements for the 1994-95 elections could be put in place in good time. And we intend to follow that timetable. This means that when the time for decisions comes along, we will have to make the best judgment we can.

MR HOWARD YOUNG: *Mr Deputy President, in his reply the Secretary says that Members of the Executive Council are briefed on discussions between the British and Chinese Governments. I recall the last time the subject was raised the Secretary first said that Executive Council Members were "briefed" and, when asked by Miss Emily LAU whether they saw the documents or not, he replied that they saw the documents, which is quite different from being briefed. And in fact seeing the documents in a pile could be different from reading them. So would the Secretary clarify whether, when he said "briefed", he meant just briefing the Executive Council Members without letting them see and read the documents?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, we are referring to two different time periods. My answer last time was in respect of the seven diplomatic exchanges. My answer today relates to a question from the Honourable Miss Emily LAU which relates to the period after 7 October. So it is "briefed".

DR TANG SIU-TONG (in Cantonese): *Mr Deputy President, may I refer to part (d) of the reply. Up to now, has the Government received any proposal from the Chinese side?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, regrettably, no.

MR PETER WONG: *Mr Deputy President, in his response at (d) the Secretary talked about "to consider any proposal". Would he clarify whether "any proposal" includes a precondition of the form that those proposals must take before they are considered?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, I thought the language was very clear. Obviously, for those proposals to command respect, they will have to meet the Governor's very public bottom

line, namely, that they should be open, fair and acceptable to the people of Hong Kong.

MR LEE WING-TAT (in Cantonese): *Mr Deputy President, top-level leaders of the Chinese Government have on various occasions cast doubt on the implementation of the Joint Declaration, and this has aroused much anxiety in our community. Will the Government inform this Council whether it has sought the assurance of the Chinese Government that in any circumstances, the Chinese and British Governments will implement the Joint Declaration without fail? If so, what is the response of the Chinese side? If not, why does the Government not seek such an assurance?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, the question of whether either party to the Joint Declaration will stick by that document does not actually arise, because I understand that the Chinese Premier's query on 16 November, as referred to by the Honourable Member, was raised at the Royal Institute of International Affairs in London in response to a question and this preceded his meeting with the Prime Minister and the Foreign Secretary. Whilst it will be inappropriate for me to comment on the remarks of the official concerned, we understand that the Chinese Government's spokesman has subsequently clarified those remarks.

MR WONG WAI-YIN (in Cantonese): *Mr Deputy President, part (d) of the main reply is merely a wish that the Chinese side would make some proposals but the Chinese Premier LI Peng has said openly that they are not going to make any counter-proposals. What kind of proposals is the Hong Kong Government expecting then? Under what circumstances will the Hong Kong Government change its original proposals?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, the proposals are for discussion within Hong Kong and with China. Therefore even if one party does not put forward proposals, I would appeal to the people of Hong Kong to come up with alternatives if they do not like the proposals that we have put forward. As to the circumstances in which we will consider changing our proposals, I would only say that if other proposals command more support than the proposals that we have put forward, we will consider those.

MRS SELINA CHOW (in Cantonese): *Mr Deputy President, what steps and measures will the Hong Kong Government and the Governor take to meet Her Majesty Government's wish as mentioned in part (c) of the reply?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, part (c) of my reply refers to Her Majesty's Government's wish to work in co-operation with China for a smooth transition on the basis of the Joint Declaration. This we are precisely doing, because the Governor's proposals are entirely consistent with the Joint Declaration.

MR CHEUNG MAN-KWONG (in Cantonese): *Mr Deputy President, will the Government inform this Council whether the Chinese and British Governments have commenced exchanges and negotiations on the 1995 election proposals; and why they cannot be disclosed on the principle of fairness and openness so that our Government is more accountable to the people and that we would not feel being sold out in secret?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, unfortunately, the process of negotiations and discussions with China has not commenced.

MR FREDERICK FUNG (in Cantonese): *Mr Deputy President, in response to a question asked by a Member earlier, the Secretary mentioned that there was no proposal from the Chinese side. If my memory is correct, the Chinese side says in the declaration that the Basic Law is a proposal they put forward. I would like to ask the Secretary whether there have been any discussions with the Chinese side on the Governor's political reform proposals and the Basic Law?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, the answer is no.

MR MOSES CHENG: *Mr Deputy President, in paragraph (b) of the Secretary's reply it is stated that there has been no change in Her Majesty's Government's policy towards Hong Kong. What are these policies?*

DEPUTY PRESIDENT: Briefly, if you can, Secretary.

SECRETARY FOR CONSTITUTIONAL AFFAIRS: This is a very broad question, Mr Deputy President. I think Her Majesty's Government's policy towards Hong Kong is to assist us with a smooth transition on the basis of the Joint Declaration.

MR STEPHEN CHEONG: *Mr Deputy President, may I enquire whether the Basic Law as promulgated by the National People's Congress of the People's Republic of China forms part of the Joint Declaration as referred to in paragraph (c) of the Secretary's reply? If so, is it also true that the Basic Law is mentioned in the Joint Declaration in the part where it is said that it is China's unilateral declaration of intention?*

DEPUTY PRESIDENT: Are you able to answer that, Secretary?

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, I can only say that the Joint Declaration and the Basic law are two separate documents.

Profit control scheme

3. MR LAU CHIN-SHEK asked (in Cantonese): *With regard to the Government's negotiation with the Hong Kong Electric Company Limited over the renewal of the profit control scheme, will the Government inform this Council:*

- (a) of the progress of the negotiation at this stage;*
- (b) whether there is any plan to revise the provisions of the existing scheme, including the methods of calculating profits; if so, what the specific details of such plans are; and*
- (c) whether consideration will be given to providing the public with the relevant information and openly soliciting their opinions on the renewal of the scheme; if not, whether this Council will be consulted prior to the renewal of the scheme?*

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, the current Scheme of Control Agreement with the Hongkong Electric Company Limited (HEC) expires on 31 December 1993. Clause 9(3) of this Agreement provides for discussions regarding a revision and extension of the Agreement, on terms and conditions that are then found to be mutually acceptable, to take place within the three years prior to the date of expiry. In accordance with this provision discussions with HEC commenced in June this year and are still continuing.

Whilst negotiations are proceeding, it would not be appropriate for me to disclose what changes, if any, to the provisions of the current scheme are being contemplated. I can assure Members, however, that the review now underway is comprehensive and thorough. Our aim is to ensure that consumers in HEC's

supply area will continue to receive an efficient and reliable electricity supply at a reasonable cost.

Mr Deputy President, I would like to make clear that, in leading these discussions on behalf of the Government, I am mindful of the commitments which I gave in this Council at the conclusion of the motion debate on franchises and schemes of control on 13 November 1991. Members of the OMELCO Economic Services and Public Utilities Panel will be briefed fully on the outcome of the negotiations and the terms of the new Scheme of Control Agreement will be made public in the normal way.

The Administration is well aware of the concerns felt by Members of this Council and the general public with regard to the operation of the power companies' schemes of control. We will give full weight to the views which have been expressed and to any relevant social, financial or economic developments which indicate the need for change.

MR LAU CHIN-SHEK (in Cantonese): *Mr Deputy President, different methods of calculating profits appeared following recent changes to the schemes of control of the Hong Kong Telephone Company and the China Motor Bus Company. The Administration, however, has not disclosed the criteria it used in deciding which method to use for different utilities, leaving the impression that there is no unified policy. In the light of this, will the Administration consider conducting a comprehensive review on the monitoring of public utilities? If not, why not?*

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, the range and complexity of franchises and schemes of control governing the provision of various utilities was thoroughly debated in this Council on 13 November 1991. I have nothing to add to the statement I made at that time.

MR ANDREW WONG (in Cantonese): *Mr Deputy President, my supplementary covers a much narrower scope and is not one on general policy. Would the Administration inform this Council, in discussing with HEC on the renewal of the scheme of control, whether power generation facilities built for the purpose of environmental protection will be counted as fixed assets in the calculation of a company's profits? If the Administration would do that, will it be reasonable to count such installation as profits when HEC should in fact be responsible for improving the environment?*

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, I have nothing to add to my principal reply.

MR MAN SAI-CHEONG (in Cantonese): *Mr Deputy President, in negotiations with HEC over terms and conditions for a renewed scheme of control, has the Administration asked or suggested to the company to implement some measures for conservancy for the benefit of consumers? If yes, could this Council be informed how they would be carried out? If not, why not?*

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, in the newly negotiated agreement with China Light and Power Company, the Government has included provisions to encourage efficiency and conservation. We contemplate doing the same as regards the current negotiations with HEC. I should however point out that the question of reducing demand is of course the responsibility not only of the operating companies but also of all the consumers, whether they are domestic, industrial or commercial users.

DR CONRAD LAM (in Cantonese): *Mr Deputy President, would the Administration explain why the unit price of electricity charged by HEC has always been higher than that of China Light and Power Company? And will the Administration consider, during negotiations with HEC, requesting that the tariffs be set at a reasonable level?*

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, the operation of the Scheme of Control Agreement with both power companies is of course carefully monitored by the Government. The Government generally is satisfied that it is working well. Obviously, in negotiating the new scheme of control, we will be anxious to ensure that monitoring mechanisms remain adequate.

MR PETER WONG: *Mr Deputy President, would the Secretary advise whether there is any intention on the part of the Hong Kong Electric Company to increase the capacity during the following period of control, or whether the Hong Kong Government is willing to consider measures of conservancy so that we will not require any further increase in the construction of power stations in Hong Kong?*

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, the need to introduce various demand management controls is of course part and parcel of reviewing the Scheme of Control Agreement. The Government would not in any event be approving additional generating plants unless and until there is a proven demand for additional capacity.

MR CHEUNG MAN-KWONG (in Cantonese): *Mr Deputy President, will the Administration inform this Council whether or not the actual consumption of HEC last year differs from what has been projected by the company? If so, could consumers' interest be protected in the new scheme of control so that they would not be forced to shoulder higher tariffs as a result of over investment due to incorrect estimation?*

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, that question would seem to be far removed from the principal reply. But if statistics are required to the extent that they are not made public, I will see what we can do to supply those statistics.

MR LAU CHIN-SHEK (in Cantonese): *Has the Administration considered improving the existing methods of calculating HEC's profits by introducing such other methods as price control, calculating profits on the basis of shareholders' stake, minimizing profit margin and comparing the advantages and disadvantages of various methods?*

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, obviously, in conducting the current negotiations on the renewal of the Scheme of Control Agreement, we will, among other things, be looking at the basis for calculating profits.

Nuisances caused by food establishments

4. MRS PEGGY LAM asked (in Cantonese): *In view of the fact that the ventilation systems installed in the kitchens of food establishments cause noise nuisance, emit hot fumes and produce greasy odours, often polluting the environment and causing nuisances to the nearby residents and passers-by, and that the large stoves fuelled by diesel oil produce a deafening noise on ignition, causing disturbance to the nearby residents who are still in bed in the early morning, will the Government inform this Council of:*

- (a) *the criteria on which the installation and operation of these ventilation systems and stoves are approved and monitored;*
- (b) *the measures that are in hand to eliminate the environmental pollution caused by the kitchens of food establishments; and*
- (c) *whether consideration will be given to requiring food establishments to install stoves which will not produce a deafening noise on ignition, so as to avoid causing disturbance to members of the public who are still asleep?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr Deputy President, the answers to the three parts of this question are as follows:

- (a) The arrangements for approving the installation and operation of ventilation systems and stoves in food establishments are provided for under the Ventilation of Scheduled Premises (Urban/Regional Council) By-Laws.

The primary aim of these by-laws is to ensure that exhaust fumes and odour from restaurant kitchens do not cause a public nuisance. An applicant for a restaurant licence is therefore required to specify the type of stove and fuel he or she intends to use in the kitchen to which the application is relevant. These specifications will be vetted by the Fire Services Department and the Environmental Protection Department. FSD will check to ensure safety in terms of both usage and fuel storage and EPD will check to ensure that the chimney is adequate, proper grease and odour removal equipment is provided and, if necessary, clean fuel such as town gas is used. There is, however, no restriction on the type of stove to be used.

In addition to these criteria, the storage and use of diesel oil for the operation of stoves so fuelled is controlled and monitored by FSD under the Dangerous Goods Ordinance. Under section 6 of this Ordinance, a restaurant licensee will require a licence to store diesel fuel in excess of 2 500 litres.

As to the operation of ventilation systems and stoves after the issue of a restaurant licence, the licensee is required to observe all the licensing conditions aimed at ensuring satisfactory operation and maintenance. These systems will also be inspected and monitored by Health Inspectors of the municipal councils and by Environmental Protection Department staff to ensure that they are built, operated and maintained within the specifications in the licence.

- (b) Measures are in hand to eliminate the environmental pollution caused by the kitchens of food establishments. In the case of nuisances such as the emission of dust particles or excessive hot fumes, and the emission of an obnoxious smell, a Nuisance Notice may be served on the licensee of the restaurant under section 127 of the Public Health and Municipal Services Ordinance. A Nuisance Notice may require the licensee to abate the nuisance within a specified period. If the licensee fails to comply with the Notice he is liable to prosecution and, on conviction, a maximum fine of \$5,000 and a daily fine of \$100. In the case of air or noise pollution associated with kitchens in food establishments, EPD staff may serve abatement notices under section 9 of the Air Pollution Control Ordinance or section 13 of the Noise Control Ordinance, as appropriate. Failure to comply with such a notice is an offence

which, on conviction, carries a maximum fine of \$50,000 for a noise pollution offence and \$5,000 for an air pollution offence (we are seeking to increase this fine to \$100,000 under the Air Pollution Control Ordinance (Amendment) Bill currently "in committee".) For persistent offenders, the municipal councils may consider suspending or cancelling their restaurant licence under section 125(1)(b) of the Public Health and Municipal Services Ordinance.

- (c) Under normal operating circumstances, diesel stoves should produce a low combustion noise when starting and during operation. This noise can be reduced by closing kitchen doors and windows or building walls and partitions to screen it. Since implementation of the Noise Control Ordinance in 1989, only one Notice has been served on a licensee to curtail noise associated with the operation of a diesel stove. At this stage, it is probably unnecessary therefore to consider further controls on the installation and operation of stoves. Cases should, however, be brought to attention so that they can be dealt with and the extent of their occurrence monitored to determine whether further action is justified.

Mr Deputy President, the Administration and the municipal councils are conscious of the need to reduce the nuisances caused to residents by ventilation systems and stoves in the kitchens of food establishments. Regular inspection, constant monitoring, and expeditious response to complaints will continue.

MRS PEGGY LAM (in Cantonese): *Mr Deputy President, in paragraph (c) of his reply, the Secretary said that since 1989, only one such Notice had been served on a licensee. Later, he added that "cases should, however, be brought to attention so that they can be dealt with and the extent of their occurrence monitored". Is this because the Administration has no monitoring of such situation and it is passing the responsibility to the public? So if no complaint is Lodged, naturally no notice will be issued. Is this really the case?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr Deputy President, my reference to one notice being issued was in relation to a noise caused by a noisy stove ignition. In fact since the implementation of the Noise Control Ordinance in 1989, 239 noise abatement notices have been served by the Environmental Protection Department on food establishments requiring them to abate noise nuisance from ventilating systems. As I said, there has been only one notice served to abate diesel stove noise. Most of the restaurants have reduced the noise levels to acceptable limits, and 106 of the cases required summons action. And as I said in my main response, there is a process of monitoring and inspection as well as response to complaints.

MR HENRY TANG: *Mr Deputy President, in his reply the Secretary said that regular inspection, constant monitoring and expeditious response to complaints will continue. Would the Secretary advise how often can a restaurant owner reasonably expect to be inspected without a complaint from any citizen, and whether he considers that to be reasonable or enough?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr Deputy President, I think, as Members will appreciate, the function of inspection on a routine basis is carried out by the staff of the Urban Council and the Regional Council. There are, however, Environmental Protection Department staff also monitoring noise. I cannot, because of the variety of inspections and monitoring that is done, give a precise answer to Mr TANG's question this afternoon, but I am certainly prepared to put in the necessary detailed research to provide that answer and I will do so. (Annex I)

MR FRED LI (in Cantonese): *Mr Deputy President, some time after 10 pm last night, I went to a housing estate in Kwun Tong to carry out an inspection in connection with a complaint about a nuisance to nearby residential units caused by fumes and odours emitted from the kitchen of a food establishment opened recently in a shopping arcade. During the time I stayed there, I found that the odours of fried potato chips and fried chicken legs all those that came from the fast-food shop hung in the air and filled every room of the housing units. Could the Administration inform this Council if it has any means of control or criteria imposed to monitor the level of odours that affect residential flats, and whether the owner of the fast-food shop in question will be asked to make improvements?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr Deputy President, the experience referred to makes the restaurant in question sound quite appetizing. There are of course no objective standards for assessing whether odour is appetizing or unappetizing. But it is clear that if a complaint about odour from a restaurant is made — and if this particular experience were turned into a complaint — then it would be investigated, and then I think it would be a matter for the judgment of the experienced inspectors of odour to decide whether action should be taken.

MR TIK CHI-YUEN (in Cantonese): *Mr Deputy President, I too have received a lot of complaints from residents of public housing estates about noise nuisances caused by the ventilation systems of restaurants in these estates, and I have referred them to the relevant departments for actions. However, the replies I received from these departments were that the food establishments in question had complied with the provisions of the relevant ordinances. This in fact reflects the inadequacies of such ordinances. At present, does the*

Administration have any concrete plans to review the existing ordinances and to strengthen the control?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr Deputy President, I think, as I said in my principal answer, there are complaints. The number of complaints and the number of enforcement measures that have to be instituted in this particular field of activity is relatively low, and I think it would be for the municipal councils, in response to the level and volume of complaints received, to decide whether standards were adequate and, if they appear not to be adequate, whether measures, and if so what measures, should be taken to change the situation.

REV FUNG CHI-WOOD (in Cantonese): *Mr Deputy President, it was mentioned in paragraph (b) of the Secretary's reply that there were three types of notices. Apart from the Noise Abatement Notice, how many of the other two types of notices, namely, Nuisance Notice and notice to abate air pollutant nuisances, were issued in the past two years, and among them, how many cases had been prosecuted?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr Deputy President, I do not think I have information in precisely the form that the Rev FUNG has asked for. But I do have some additional information which may be of interest. In the period between July 1991 and May 1992 the EPD received and investigated 247 air pollution complaints arising from the operation of restaurant stoves. Of these, 211 were complaints against smoke, whilst 36 were complaints against odour. As a result of these, 93 prosecutions have been taken out in roughly the same period by EPD against restaurant operators for violation of various air pollution control provisions. Fifty-eight of these cases were unauthorized installation or alteration of furnaces, and 28 cases were excessive dark smoke emissions. The indications are that these enforcement actions are effective. At the same time there were complaints about the emission of hot fumes and/or obnoxious odour received by the municipal councils in the past 12 months. The municipal councils registered a total of 158 such cases — the Urban Council 96 cases, and the Regional Council 62 cases. All of these cases have been satisfactorily resolved.

Residential mortgage lending

5. MR LEE WING-TAT asked (in Cantonese): *Notwithstanding the Government's advice in May 1991 to the Hong Kong Association of Banks and the Deposit-taking Companies Association appealing for prudence in residential mortgage lending to help curb speculative activities in the property market, there are recent reports that certain banks and finance companies are providing property buyers with mortgage loans exceeding 70% of the appraised property*

value. Will the Government inform this Council, having regard to the prevailing property market conditions, whether it will consider taking further initiatives to ensure that residential mortgage lending stays within 70% of the appraised property value or any other percentage ceiling which it considers prudent?

SECRETARY FOR MONETARY AFFAIRS: The 70% loan-to-value ratio was introduced by banks in November of last year with the encouragement and support of the Government. This reflected a need on the part of the banks to limit their exposure to the residential property market to prudent levels, and their efforts to help restrain inflationary pressures arising from the growth in property prices and curb speculative activity.

The Commissioner of Banking conducts a regular monthly survey of the growth in residential mortgage lending by the banking sector. The results of the survey indicated that growth in residential mortgage lending slackened from 16% for the second half of 1991 to 8% for the first half of 1992. Figures up to October suggest that the downward trend is continuing. Nevertheless the Commissioner has continued to urge authorized institutions not to relax their lending stance. He has also advised institutions not to enter into arrangements with property developers which would allow borrowers to obtain loans in excess of 70% of property values.

Whilst there may be some instances of exceptions to the 70% loan-to-value value ratio, we are satisfied that in general the banking sector is continuing to hold the line.

The tightening of lendings by authorized institutions and the constant supply of new flats have already seen their effects on the property market which has shown signs of slowing down. This is reflected in the slower growth rate in residential mortgage lending and the drop in the number of transactions registered with the Land Office. In the light of this, we do not believe that further initiatives as suggested by Mr LEE are called for at this stage. However, as I have indicated, the situation is kept under regular review.

MR LEE WING-TAT (in Cantonese): *Mr Deputy President, the Secretary said in the second paragraph of his reply that the Commissioner of Banking had continued to urge authorized institutions not to relax their lending stance and that he had also advised them not to enter into such arrangements with property developers. Could the Administration inform this Council how it can prevent property developers who have their own financial institutions from providing mortgage loans in excess of 70% of the property values? If they do not heed the advice, what actions will the Administration take?*

SECRETARY FOR MONETARY AFFAIRS: Mr Deputy President, as I indicated in my main answer, we regard the overall position as satisfactory. The developers are not subject to supervision in the same way as the banks; they are free to make their own financial arrangements with the buyers of their properties. However they ought to take into consideration the disadvantages of moving outside their mainstream business and tying up funds in long-term loans on terms which may not be considered prudent by banks.

MR GILBERT LEUNG (in Cantonese): *Mr Deputy President, with the encouragement and support of the Administration, banks offer mortgage loans of only 70% of the property values to property buyers, making it increasingly difficult for genuine or first-time buyers to acquire properties. This is very unfair to them. Now that the Secretary has admitted that the growth in residential mortgage lending has slackened and that property speculation has reduced considerably, could the Administration inform this Council whether it will encourage banks to offer first-time buyers and genuine users a loan-to-value ratio of 70% or more so as to help them acquire properties?*

SECRETARY FOR MONETARY AFFAIRS: Mr Deputy President, I think it is in the interests of all wishing to buy houses, and particularly first-time buyers, that the price for property does not rise out of people's reach. The measures that have been taken, as I indicated in my main answer, I believe are having the desired effect. This I believe to be in the longer-term interests of all those who wish to acquire residential property.

MR RONALD ARCULLI: *Mr Deputy President, the Secretary in his answer said that the drop in the number of transactions registered with the Land Office is being monitored very closely. Could he perhaps tell us in some detail the number of transactions a year ago, as opposed to that in the latest months, which he has information on and the extent of the level of the drop, as well as the price levels, if he has those details?*

SECRETARY FOR MONETARY AFFAIRS: Mr Deputy President, I will give a written reply as it is not available to me at this stage. (Annex II)

DR HUANG CHEN-YA (in Cantonese): *Mr Deputy President, could the Secretary inform this Council if banks have asked for a relaxation of the loan-to-value ratio? Should such a relaxation lead to a sharp rise in property prices, how long will it take to curb property speculation again by way of introduction of value added tax or other measures?*

DEPUTY PRESIDENT: It is a hypothetical question and an academic question, I think, Dr HUANG, Do you wish to answer, Secretary?

SECRETARY FOR MONETARY AFFAIRS: Mr Deputy President, I can answer the first part of the question which asked whether we have received requests from banks for relaxing the ratio. The answer to that is no.

MR CHEUNG MAN-KWONG (in Cantonese): *Mr Deputy President, while many property speculators are waiting for the banks to relax the loan-to-value ratio to over 70% so that they may engage in speculative activities again, there are, at the same time, some genuine users who wish but fail to buy flats because they cannot afford the 30% downpayment. Since a laissez-faire policy may lead to rampant property speculative activity whereas a restrained one may virtually keep genuine users out of reach, could the Administration inform this Council how it is going to deal with such a dilemma in order that genuine buyers can acquire the properties they need?*

SECRETARY FOR MONETARY AFFAIRS: Mr Deputy President, as I indicated in my main answer, the result of the tightening of the criteria by the banks has taken the speculative element out of the market. There are some signs that prices have stabilized; that, I think, is to the benefit of people who wish to buy properties, not to their disbenefit as might have been suggested by that supplementary question.

BDTC and BN(O) passports

6. DR LEONG CHE-HUNG asked: *Will the Administration:*

- (a) *firstly, inform this Council whether, since the beginning of 1992, British Dependent Territory Citizen (BDTC) and British National (Overseas) (BN(O)) passport holders have been subject to more stringent immigration clearance requirements than before when travelling to and/or seeking to remain in the EC countries;*
- (b) *secondly, confirm with the United Kingdom Government whether the latter has issued any kind of notification to other EC countries, reminding them to pay special attention to holders of British passports issued in Hong Kong because the United Kingdom is to hand over Hong Kong to China in 1997; and*
- (c) *thirdly, up-date this Council on the progress of international recognition of the BN(O) passports?*

SECRETARY FOR SECURITY: Mr Deputy President, the answer to the first two questions is "no".

As to the third, in 1987 the United Kingdom carried out an extensive briefing exercise in anticipation of the introduction of the new BN(O) status to explain it to other countries. At that time, no countries indicated reluctance to accept BN(O) passports. Since then, the introduction of BN(O) passports has gone smoothly and no state has, as far as we are aware, withheld recognition of BN(O) passports.

DR LEONG CHE-HUNG: *Mr Deputy President, since the answer to the second part of my question is a flat "no", could the Administration enlighten this Council as to whether the flat "no" means that the Hong Kong Government will not confirm with the United Kingdom Government, or whether the United Kingdom Government has denied issuing any kind of notification to other EC countries to the effect that special attention be given to passports issued in Hong Kong because the United Kingdom is to hand over Hong Kong to China in 1997?*

SECRETARY FOR SECURITY: Mr Deputy President, I can confirm categorically to Dr LEONG that no such notification has been made by the British Government, to my knowledge, to other EC countries, as he stated in his question.

MR HENRY TANG: *Mr Deputy President, since the holders of BDTC and BN(O) passports currently can enter some EC countries without a visa, would the Secretary inform this Council whether steps will be taken to regularize so that holders of BN(O) and BDTC passports can enter all EC countries without a visa starting in 1993?*

SECRETARY FOR SECURITY: Mr Deputy President, it is the objective of the Hong Kong Government to seek visa-free entry to every possible country that we can. At present we have visa-free access on both BDTC and BN(O) passports to about 70 countries. We will continue to seek visa-free access to the specific countries which Mr TANG has mentioned.

MR NGAI SHIU-KIT (in Cantonese): *Mr Deputy President, according to members of the tourism industry, there will not be much difficulty for holders of BN(O) passport to enter EC countries, but problems will however arise when they enter the United Kingdom. Will the Administration inform this Council whether there have been cases in which tourists from any EC country holding BDTC or BN(O) passports were refused entry by the United Kingdom and had to return to their own countries; whether such countries subsequently protested*

or lodged complaints with the United Kingdom; and if discrimination does exist, how the British Government has handled such cases?

SECRETARY FOR SECURITY: Mr Deputy President, as I said in answer to Mr TANG's question, there are 70 countries which allow visa-free visits to BN(O) passport holders, in addition to BDTC passport holders. These countries include the United Kingdom. There is no difference, in relation to the United Kingdom, between a BDTC passport and a BN(O) passport.

DR CONRAD LAM (in Cantonese): *Mr Deputy President, in his reply, the Deputy Secretary for Security said that as far as the Administration was aware, no state had withheld recognition of BN(O) passports. However, in his recent reply to this Council on travel documents, the Deputy Secretary said that Mauritius and Austria did not accept the BN(O) passport as travel document. Does that mean that the BN(O) passport is not recognized?*

SECRETARY FOR SECURITY: Mr Deputy President, in response to Dr LAM's question, I would say Austria and Mauritius do recognize the BN(O) passport but they have required, in these two unique cases, visas. They are the only two countries that require visas where a BDTC passport holder does not need a visa. We have been negotiating with both of these countries for a number of years to try and persuade them that they should accept BN(O) passports. We are continuing these negotiations and in fact before this question was asked by Dr LEONG last week, we had already approached both countries and indeed are under active discussions with them both at present. To pre-empt another question, we do not know why they have taken this line. It is not logical and we will continue to persuade them to be logical.

MR RONALD ARCULLI: *Mr Deputy President, as a follow-up to the Secretary's answer, as far as I understand it, the Austrian Government's refusal to allow BN(O) passport holders entry into Austria without a visa is due to the reluctance on the part of Her Majesty's Government to give an undertaking for paying for the repatriation costs of any BN(O) passport holder in the event that that should arise. Could the Secretary throw some light on that?*

SECRETARY FOR SECURITY: Mr Deputy President, it is not the responsibility of Her Majesty's Government to pay such repatriation costs; it is a matter between the Hong Kong Government and the holder of that passport.

MR JIMMY MCGREGOR: *Mr Deputy President, please forgive my ignorance if this is an ignorant question. But do we have any Chinese Government assurance that BN(O) passport holders will be allowed to retain these documents after*

1997, and that they will be recognized pari passu with any other travel document issued by the SAR authorities to Hong Kong residents for travel purposes?

SECRETARY FOR SECURITY: Mr Deputy President, it may sound surprising for the Secretary for Security to have both the Basic Law and the Joint Declaration with him when the Secretary for Constitutional Affairs did not have these in front of him. But may I quote first of all from the Joint Declaration. There is at the end of the Joint Declaration an exchange of memoranda between the British and the Chinese Governments. The Chinese memorandum says:

"The People's Republic of China will, with effect from the 1st July 1997, permit Chinese nationals in Hong Kong, who were previously called British Dependant Territory Citizens, to use travel documents issued by the Government of the United Kingdom for the purpose of travelling to other states and regions."

It is for that purpose that we in 1987 sought and have got approval through this Council for the issue of the BN(O) passport. Article 31 of the Basic Law says, in the last sentence:

"Unless restrained by law, holders of valid travel documents shall be free to leave the region without special authorization."

MR HOWARD YOUNG: *Mr Deputy President, in addition to the 1.6 million holders of BDTC passports and 0.4 million holders of BN(O) passports, there is a large chunk, some 1.3 million or 40%, of Hong Kong's international travelling population who hold Certificates of Identity. Will the Government inform this Council whether all the efforts being made to gain meaningful recognition and privileges for holders of our travel documents will also be directed somewhat towards helping holders of Certificates of Identity as well, as they are the underprivileged when it comes to privileges?*

DEPUTY PRESIDENT: It is strictly outside the main question and answer, but can you answer that question, Secretary?

SECRETARY FOR SECURITY: Mr Deputy President, as Mr Howard YOUNG has said, there are a large number of people eligible for BDTC passports and BN(O) passports who have not yet come forward to claim these. Clearly, if they wish to do so then they should register with the Director of Immigration and seek such a passport. After 1997, under the Basic Law, the resident citizens of Hong Kong may also apply, of course, for SARG passports.

MR HOWARD YOUNG: *I think my question has been misunderstood. I referred to the 1.3 million holders of Certificates of Identity who are not eligible to hold BN(O) or BDTC passports.*

DEPUTY PRESIDENT: That was strictly outside the main question and answer, but do you have an answer, Secretary?

SECRETARY FOR SECURITY: Mr Deputy President, I shall try and be helpful. Clearly, people on Certificates of Identity must first satisfy the Director of Immigration on naturalization grounds. If they cannot do that, then they cannot have BDTC passports. They will then have to apply for SARG passports in 1997. If they can do that, they can apply for BN(O) passports now which will see them through 1997. That is the choice before them.

MISS EMILY LAU (in Cantonese): *Mr Deputy President, will the Secretary inform this Council if, after 1997, a Hong Kong Chinese citizen who holds a BN(O) passport is deported from a country, will the British Government take in such a person who has an ambiguous identity?*

SECRETARY FOR SECURITY: Mr Deputy President, after 1997, if a Hong Kong citizen who holds a BN(O) passport is deported from a country, he will be sent back to Hong Kong because he has, by virtue of a BN(O) passport, right of abode in Hong Kong.

MR WONG WAI-YIN (in Cantonese): *Mr Deputy President, my question has been asked by Mr NGAI Shiu-kit, but the Secretary's reply is so simple that I should like to follow it up. Can the Secretary confirm that there have been persons travelling on BN(O) passports who were denied entry by some countries? If so, what measure has the Hong Kong Government taken to help them?*

SECRETARY FOR SECURITY: Mr Deputy President, this is a very large question because, clearly, people travelling on passports of any country, including BN(O) and BDTC, are occasionally refused permission to enter countries. The reasons for this need to be examined in the individual cases. Clearly, where a Hong Kong citizen travelling on a valid Hong Kong travel document runs into problems in another country, the Hong Kong Government will assist him.

Written answers to questions**Decile distribution of household income**

7. DR CONRAD LAM asked (in Chinese): *As data on the "decile distribution of household income" to reflect the distribution of wealth in Hong Kong have not been released since 1981, will the Government inform this Council:*

- (a) of the "decile distribution of household income" in Hong Kong since 1981;*
- (b) of the reason for discontinuing the publishing of such data after 1981; and*
- (c) whether any individuals or groups have requested the Government to release such data; whether the Government has turned down any such requests; if so, what the reasons for rejection were?*

SECRETARY FOR ECONOMIC SERVICES:

- (a) The "Decile distribution of household income" in Hong Kong, based on the results of the 1981 Population Census, the 1986 By-Census and the 1991 Population Census, is shown in the annex.

The decile distribution of household income derived from the 1991 Population Census will be included in the Census Main Report to be published in early 1993.

- (b) "Decile distribution" is one of many ways of presenting the distribution of household income. In the Main Report of the 1986 By-Census, the distribution is shown in terms of individual income brackets. The decile distribution of household income for 1986 is nevertheless available to the public upon request.
- (c) There have been occasional requests for data on household income distribution as derived from the population censuses and these requests were readily entertained by the Census and Statistics Department. However, no specific request for decile distribution of household income has been received so far.

Decile distribution of household income

<i>Households enclosed between deciles</i>	<i>1981 %</i>	<i>1986 %</i>	<i>1991 %</i>
Up to 1st (lowest)	1.4	1.6	1.3
1st and 2nd	3.2	3.4	3.0
2nd and 3rd	4.4	4.4	4.0
3rd and 4th	5.4	5.4	5.0
4th and 5th	6.5	6.4	6.1
5th and 6th	7.8	7.6	7.4
6th and 7th	9.4	9.1	9.0
7th and 8th	11.5	11.4	11.4
8th and 9th	15.2	15.2	15.5
9th and 10th (highest)	35.2	35.5	37.3
Total	100.0	100.0	100.0

Compensation to fishermen

8. DR TANG SIU-TONG asked (in Chinese): *With regard to the registration for compensation of those fishermen affected by the creation of a marine disposal site in the sea off south Cheung Chau, will the Government inform this Council of:*

- (a) the number of fishermen so affected and the compensation payable to them;*
- (b) the reasons for not including fishermen owning vessels exceeding 15 metres in the compensation policy although they have suffered similar losses in damage to their vessels and fishing equipment through irresponsible disposal; and*
- (c) whether the affected fishermen are entitled to participate in the Government's retraining programme and, if not, why not?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr Deputy President, in a registration exercise carried out between 26 and 29 October 1992 at Cheung Chau, 319 fishermen registered claims for compensation in connection with the south Cheung Chau spoil area. Their claims are being verified. Compensation will be *ex-gratia*. The amount payable in respect of valid claims has yet to be assessed but will be dependent on the value of the

annual fish harvest in the area, which is estimated to be \$1.5 million at 1991 prices.

The reason fishing vessels over 15 metres long are not eligible for *ex-gratia* compensation is that such vessels are large enough to move to other fishing grounds and are not restricted to in-shore fishing. This rule was approved by the Finance Committee of the Legislative Council in 1978. However, in the light of representations made by fishermen the Administration is reviewing this rule.

Under the Employees Retraining Ordinance, a local employee may apply to the Commissioner for Labour to attend a retraining course approved by the Employees Retraining Board. A fisherman is entitled to apply for approved retraining courses if he is a permanent Hong Kong resident who has been employed by the same employer or in the same industry for at least two years. The Agriculture and Fisheries Department also provides vocational training free of charge to in-shore fishermen who wish to join the distant waters fishing fleet.

Off-course betting centres

9. MR WONG WAI-YIN asked (in Chinese): *Will the Government inform this Council:*

- (a) *whether it is aware of a proposed scheme to open the Off-course Betting Centre in Tuen Mun for use by voluntary agencies and whether consideration will be given to monitoring such scheme; and*
- (b) *whether consideration has been given to limiting the number and size of Off-course Betting Centres, an issue which has often been a public concern because of the undersirable influence it may have on the community?*

SECRETARY FOR HOME AFFAIRS: Mr Deputy President, I will answer the Honourable Member's questions in reverse order.

The government policy on gambling is to restrict opportunities for gambling but to allow controlled outlets for such gambling activities as exist. In practice, this means strict laws and firm enforcement action against illegal gambling activities, supported by the provision of controlled alternatives where a cogent need for such alternatives has been established. Off-course Betting Centres (OCBCs) were introduced in 1974 as one of the measures to combat illegal gambling on horse racing and have proved most effective.

The maximum number of OCBCs which may be established is 134. This figure was adopted in 1979. The actual number of centres has fluctuated over

the years, from 121 in the 1983-84 racing season to 130 in 1989-90. At present there are 125.

Each application for the establishment of an OCBC is considered on its individual merits taking into account the size of the proposed centre, its location, proximity to educational and community facilities as well as local public opinion and police comments on the level of illegal gambling prevalent in the area.

Turning to the first question; the answer is yes. The new Tuen Mun OCBC comprises 144 betting windows and a betting theatre with a seating capacity of 530 persons. The theatre will be made available for use by voluntary agencies and members of the public in due course. The District Officer Tuen Mun, in conjunction with the Tuen Mun District Board, is now discussing booking and other arrangements for this facility with the Royal Hong Kong Jockey Club. The District Officer Tuen Mun will monitor the use of this facility closely.

Repatriation of illegal Vietnamese migrants or screened-out migrants

10. MR JIMMY McGREGOR asked: *Will the Government inform this Council whether it will adopt a policy in line with the spirit of human rights that families will not be broken up in any repatriation of Vietnamese migrants, refugees or illegal immigrants from Hong Kong, in particular, that children will not be separated from their parents in such exercises?*

SECRETARY FOR SECURITY: Mr Deputy President, we have no wish to separate families in the repatriation of illegal Vietnamese migrants from Hong Kong. But in the very special circumstances of the Ex-Chinese Vietnamese illegal immigrants (ECVIIs) who are married to screened-out Vietnamese migrants while being detained in Hong Kong, we have no alternative but to return them to China and their Vietnamese spouses to Vietnam.

ECVIIs who have obtained asylum in China and were resettled there before their arrival in Hong Kong are repatriated upon confirmation of their previous residence in China. No resettlement country would be prepared to accept them. A screened-out Vietnamese migrant will also have to return to Vietnam in accordance with the Comprehensive Plan of Action agreed by the international community at the Geneva Conference in June 1989.

A marriage between an ECVII and a screened-out Vietnamese migrant does not change their illegal immigrant status. Prior to a marriage taking place between an ECVII and a Vietnamese migrant, the Administration explains clearly the position to them and they are therefore made well aware of their likely future separation.

The normalization of relations in 1991 between China and Vietnam has facilitated movements of people between these two countries. The repatriated ECVIIs, or their Vietnamese spouses upon their return to Vietnam, may apply through normal channels in China, or in Vietnam, to reunite with their family members, but this is ultimately a matter for China and Vietnam. The UNHCR have already indicated their willingness to help in such cases.

It would not be in the public interest to relax our rules in this instance. To do so would create a potential loophole in our immigration controls and possibly encourage Vietnamese settled in China to enter Hong Kong illegally with a view to marrying Vietnamese migrants. Bearing in mind that over 200 000 Vietnamese have been resettled in China since 1978-79, this danger of abuse of our immigration controls is very real.

China Motor Bus franchise

11. MRS MIRIAM LAU asked: *In the light of the renewal of the China Motor Bus franchise without a profit control scheme effective as from September 1993, will the Administration inform this Council:*

- (a) *of the criteria to be adopted in determining future fares of the China Motor Bus; and*
- (b) *how the Administration ensures that such fares will be maintained at reasonable levels acceptable to the travelling public?*

SECRETARY FOR TRANSPORT: Mr Deputy President,

- (a) At present, all public transport operators other than CMB and KMB do not have a profit control scheme. In determining their fares, the Government normally allows these companies to recover costs and earn a reasonable profit, taking into account factors including service quality, commitment to further investments, changes in operating costs and market environment, passenger affordability and other socio-economic conditions. The objective is to balance, on the one hand, the need to keep fares at acceptable levels and, on the other, a reasonable incentive for continued investments, without which public demand for better services could not be met. The same criteria will be adopted when determining CMB's fares under its new franchise from 1 September 1993.
- (b) The criteria mentioned in (a) coupled with the special terms in CMB's new franchise should ensure that the fares will be maintained at reasonable levels acceptable to the travelling public. Among other things, these terms provide for wider exposure by the company to market forces, more effective government monitoring

of its operation and greater accountability to the public for its services through the mandatory establishment of passenger liaison groups.

Telecommunication policy

12. MR STEVEN POON asked: *In view of the motion carried by this Council on 3 June 1992 that the Government should formulate a telecommunication policy and establish a second local telecommunication network, will the Government inform this Council:*

- (a) of the progress in formulating a comprehensive telecommunication policy; when and whether the policy paper can be made available to the public for comment; if not, why not;*
- (b) of the latest position on the preparation for the second telecommunication network;*
- (c) whether a decision has been taken to establish an Office of Telecommunication (OFTEL); and*
- (d) if so, the terms of reference of OFTEL?*

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, in my speech to this Council on 3 June 1992 I outlined to Members, in broad terms, the outcome of our review of telecommunications policy. Most importantly I announced that the Government had decided not to renew the Hong Kong Telephone Company's exclusive franchise for the provision of local voice telephone services, when it expires in 1995, but to replace it with a non-exclusive licence. I also announced that agreement had been reached with Hong Kong Telecommunications Limited on a package of measures to reduce the cost to consumers of international direct dial telephone calls and to replace the Hong Kong Telephone Company's former scheme of control by a system of price-capping.

Since then we have, as promised, carried out further detailed discussion and consultation with members of the Economic Services and Public Utilities Panel and with other interested parties. We have also made considerable progress in finalizing the details of arrangements in areas such as price-capping and network interconnection. I hope shortly to introduce in this Council proposals for amendments to the Telephone and Telecommunications Ordinances which are necessary to implement our new policy measures.

Since June, we have also made considerable progress in planning for the introduction of a competitive regime for the licensing of local fixed telecommunications network. As Members will be aware it is not our intention

to determine, in advance, the number of new local networks to be licensed: a decision on this will be made in the light of the proposals received and an assessment of the number of new networks which the market is likely to be able to sustain in the near future.

In September, the Telecommunications Authority issued a guidance note for prospective fixed network service licensees, which calls for proposals by 1 February 1993. To date, 52 parties have obtained copies of the guidance note and registered interest with the Telecommunications Authority. Among other things, the guidance note sets out the broad licensing criteria that the Telecommunications Authority intends to apply and indicates the general level of payments that mobile telephone and new local fixed networks may expect to receive for delivering and receiving international traffic. In a further step to assist potential new fixed network providers in preparing their proposals the Telecommunications Authority has recently hosted a technical seminar on network interconnection.

I can also report that we have been giving serious consideration to what changes, if any, should be made to the regulatory structure. While no final decisions have been reached it is clear that additional staff resources will be required by the Telecommunications Authority in order that it can effectively carry out the increased range and complexity of regulatory responsibilities flowing from the policy review. In due course, I will be putting proposals to the Finance Committee for creation of the necessary posts.

Community services in the New Territories

13. MR TIK CHI-YUEN asked (in Chinese): *In view of the inadequacy of community services (such as services for the elderly, women and young people) in rural areas in the New Territories, will the Government inform this Council:*

- (a) *whether there is a set of comprehensive planning standards for the design and provision of various kinds of community services;*
- (b) *of the ratio of community service facilities to the population in northwestern New Territories; and*
- (c) *whether there are plans to resolve the problem of inadequate community services in remote rural areas?*

SECRETARY FOR HEALTH AND WELFARE: The answer to the three-part question is as follows, *seriatim*:

- (a) The Social Welfare Department provides a wide range of community support services for different types of welfare clients, including children centres, youth centres, social centres for the

elderly and multi-service centres for the elderly. The planning ratios for these services are as follows:

<i>Type of service</i>	<i>Planning ratio</i>
(i) Children Centres	1 centre to 20 000-30 000 general population
(ii) Youth Centres	1 centre to 20 000-30 000 general population
(iii) Social Centres for the Elderly	1 centre to 3 000 elderly persons aged 60 and over
(iv) Multi-service Centres for the Elderly	1 centre per "District Administration" District or 1 centre to 25 000 persons aged 60 and over

- (b) The ratios of existing community service facilities provided by the Social Welfare Department to the population in northwestern New Territories are set out below:

<i>Types of community service facilities provided by Social Welfare Department</i>	<i>Ratios to the population in northwestern New Territories</i>
(i) Children Centres	1 centre to 23 946 general population
(ii) Youth Centres	1 centre to 22 172 general population
(iii) Social Centres for the Elderly	1 centre to 3 198 persons aged 60 and over
(iii) Multi-service Centres for the Elderly	1 centre per "District Administration" District or 1 centre to 27 182 persons aged 60 and over

- (c) As can be seen from the information in para (b) above, existing community service facilities on the whole are in accordance with the planning ratios to meet demand in northwestern New Territories. As for remote rural areas where the population does not justify the establishment of certain community service facilities under the current planning standards, smaller-scale facilities may be

established. Nearby facilities are also encouraged to extend their services to the residents in remote rural areas through outreaching programmes.

Public cargo working areas

14. MR ALBERT CHAN asked (in Chinese): *Members of the industry have expressed concern about problems relating to the allocation and management of berths at public cargo working areas including the prolonged occupation of a number of berths by certain operators and the extortion of "usage fee" by triad members from users of these facilities. Will the Government inform this Council:*

- (a) *of the existing arrangement in the allocation and management of berths at the public cargo working areas; and*
- (b) *whether the existing arrangements will be reviewed and improved to ensure that these facilities can be fully and effectively used by genuine operators?*

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President,

- (a) Public cargo working areas (PCWAs) are narrow stretches of seafront where cargo is loaded and discharged to or from vessels. They are managed by the Marine Department and are open to any member of the public who may work cargo after paying the appropriate fee. Berths are allocated on a "first-come-first-served" basis. Charges are simple and straightforward — both vessels and vehicles are charged on a time basis — the object being to enhance productivity. Surcharges are levied on vessels which remain berthed for periods over 48 hours.
- (b) The Director of Marine is ever mindful of the need to offer an efficient and cost-effective service and fully meet the needs of all genuine operators. To this end, he has recently initiated a thorough review of this service. In due course full consultation will be conducted with all interested parties, in particular the users of PCWAs, before any final decisions are taken.

Air-conditioned buses

15. MR MAN SAI-CHEONG asked (in Chinese): *Regarding air-conditioned buses operated by the franchised bus companies, will the Government inform this Council:*

- (a) *whether it is aware that there are public complaints about the excessive noise generated by such buses, and what steps will be taken to alleviate the problem; and*
- (b) *of the existing arrangements to ensure that the franchised bus companies will adjust the temperature inside the buses in response to seasonal changes to provide comfortable rides for passengers?*

SECRETARY FOR TRANSPORT: Mr Deputy President,

- (a) In the past 12 months, the Environmental Protection Department has received only one complaint about excessive noise from air-conditioned buses. There is at present no legislation which stipulates noise limits for vehicles. The Department intends to bring in, by the end of 1993, legislation prescribing noise standards for vehicles, including buses.
- (b) To improve passenger comfort during the winter months, the KMB, CMB and Citybus Companies have upgraded the system inside their air-conditioned buses to provide a wider range of temperatures from which a suitable one can be selected. KMB is also arranging for heaters to be fitted. Air-conditioned buses operated by the New Lantao Bus Company have opening windows to moderate temperatures.

In addition, the franchised companies are liaising with overseas bus manufactures on further improvements, including design changes which can provide better control of temperature, humidity and air circulation inside buses.

Teaching academically less able students

16. MR CHEUNG MAN-KWONG asked (in Chinese): *Since Band 5 students rated as a result of internal school assessments scaled by the Academic Aptitude Test will require more attention and care both in learning and counselling when advanced to secondary education, will the Government inform this Council of the following:*

- (a) *whether a working party consisting of headmasters, teachers and social workers will be set up to comprehensively review and formulate ways to allocate resources to schools enrolling Band 5 students and their modes of teaching, including mother tongue teaching, the size of each class, the number of teachers, social work manpower, curriculum innovation, floating classes and so on, so as to ensure that these students will receive more appropriate attention; if so, what are these plans; if not, what the reasons are;*

- (b) *regarding the provision of special training courses for teachers of these secondary schools, what arrangements will be made to transfer teachers to undergo training as well as to introduce changes to the staffing establishment and so on; what will be the emphasis of the training programmes; and above all, how to ensure that trained teachers will return to their own schools or be sent to the same category of schools; and*
- (c) *whether the same support services will be provided to private schools enrolling Band 5 students; if so, how such services will be provided; if not, what the reasons are?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr Deputy President, the answers to Mr CHEUNG's questions are as follows:

- (a) Following my undertaking to this Council on 28 October and discussions with the Council's Education Panel on 12 November, the Education Department is setting up a working party to consider what further measures might be taken to assist schools enrolling a high proportion of academically less able students. This working party will comprise principals, teachers, social workers and others and is expected to start work in early January.
- (b) Under the school-based remedial support programme recommended in Education Commission Report No. 4, teachers in schools enrolling a high proportion of students in the lowest 10% of the ability range are scheduled to receive training on remedial teaching from September 1993. About 630 teachers a year will undergo this training which will last for four weeks on a block release basis. It will be up to principals to choose the trainees who would be experienced, mature and dedicated members of the teaching staff already engaged in teaching academically less able children. Schools will be provided with supply teachers to cover their absence. The course content will focus on the skills of remedial teaching and the use of resource materials. We expect that, upon completion of the training, these teachers will return to their schools and will feel more comfortable and confident in discharging their responsibilities.
- (c) Existing support services, including opportunities for additional training, are available to private schools under the Bought Place Scheme. Improvements which may be decided upon as a result of the working party's deliberations should broadly be applicable to these private schools.

Medical laboratory technologists

17. MR TAM YIU-CHUNG asked (in Chinese): *Will the Government inform this Council:*

- (a) *of the respective numbers of medical laboratory technologists registered in Part I, Part II and Part III of the Medical Laboratory Technologists Register and their respective scopes of work and duties under these three parts; and*
- (b) *of the number of registered medical laboratories and branch offices in Hong Kong; of the manner in which these laboratories have actually operated to fulfil the requirement of the Medical Laboratory Technologists Board that medical laboratory technologists registered under Part II and Part III should practise under the supervision of a medical laboratory technologist registered under Part I; and of the specific measures that have been taken to effect the above said "supervision"?*

SECRETARY FOR HEALTH AND WELFARE: As of 24 November 1992, the numbers of medical laboratory technologists on the register are as follows:

Part I	1 082
Part II	849
Part III	226

The duties of medical laboratory technologists are defined in the Schedule to the Supplementary Medical Professions Ordinance, Cap 359. The law stipulates that medical laboratory technologists registered in Part II or Part III must work under the supervision of a medical laboratory technologist registered in Part I.

At present, medical laboratories and their branch offices are not required to be registered. Hence, the exact number is not known. It is estimated that there are about 100 of them in Hong Kong.

The arrangements for supervision of those registered in Part II and Part III vary, depending on the nature of the job. If reports of irregularities regarding their practice are received by the Medical Laboratory Technologists Board, investigation will be carried out in accordance with the disciplinary procedures prescribed in the Medical Laboratory Technologists (Registration and Disciplinary Procedure) Regulations made under Cap. 359. The regulatory procedures for medical laboratory technologists working in these laboratories are based on the principles of self-regulation of the profession and professional integrity.

Private Sector Participation Scheme

18. MR FREDERICK FUNG asked (in Chinese): *Will the Government inform this Council:*

- (a) *of the distribution of duties among the various government departments involved throughout the process of the Private Sector Participation Scheme (PSPS) from the grant of land by the Sino-British Land Commission to the intake of PSPS flats; of the relevant legislation under which these government departments are authorized to assume and perform their duties; and which government department is responsible for the co-ordination of the work;*
- (b) *of the relevant authorities to which complaints or compensation claims from PSPS residents in respect of their flats can be lodged after intake; and*
- (c) *of the ownership of the commercial premises and carparks in PSPS estates and how the revenue derived from these tenancies is disposed of?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr Deputy President,

- (a) Private Sector Participation Scheme (PSPS) projects are subject to the same building, planning and land administration controls as other private development projects. These controls require that the normal approvals under the Buildings Ordinance be obtained from the Building Authority, that the uses are in compliance with statutory town plans or any permission granted thereunder, and that the development is in accordance with the conditions of the land grant. For PSPS sites ready for disposal, planning permission under the Town Planning Ordinance is usually not required or has already been obtained.

When a decision is made to dispose of a site for PSPS development, developers are invited by the Buildings and Lands Department to tender for the site. The tender conditions include specifications and standards of the flats as well as other conditions required by various departments, principally the Housing Department and the works departments. The successful tenderer is granted the site under delegated authority and is responsible for the design, construction and subsequent management of the project in accordance with the conditions of grant.

Under the Buildings Ordinance, anyone undertaking building works must obtain Building Authority approval of plans and consent to commence works, as well as an occupation permit on completion, by applying to the Buildings Ordinance Office (BOO). Additionally, BOO plays a central co-ordinating role in obtaining comments and necessary approvals from other government departments or offices.

The Housing Authority is responsible for selling the flats in PSPS developments according to the same criteria as applied to other Home Ownership Scheme flats.

- (b) As owners, PSPS purchasers have rights and privileges similar to other owners of flats. The form of any redress required in a particular case will depend on the nature of the problem and the liabilities of the parties involved. Complaints or compensation claims in respect of building defects or management aspects may be lodged with the developer or the appointed management company under the deed of assignment or the deed of mutual covenant. If necessary, disputes may need to be settled through legal action.

The Housing Department's role in a PSPS development is to advise and liaise with the developer and the management company to ensure prompt attention to problems and follow-up action. Under the Conditions of Sale, the Housing Department may, as a final resort, intervene to carry out any necessary rectification works, and charge the expenses against the retention money or a ten-year bank guarantee provided by the developer.

- (c) Normally a PSPS developer owns the commercial premises and carparking spaces. This enables him to dispose of these premises and receive the sale proceeds.

Users' Committees

19. MR FRED LI asked (in Chinese): *Regarding the establishment of "Users' Committees" as proposed in the Governor's policy address, will the Government inform this Council:*

- (a) *of the departments which will take the lead in establishing such committees;*
- (b) *of the terms of reference of the committees and to whom these committees will be accountable;*
- (c) *how the membership of these committees will be decided; and*

(d) *of the specific time-table and plans for the implementation of the proposed scheme?*

SECRETARY FOR THE CIVIL SERVICE: Mr Deputy President,

- (a) "Users' Committees" will be considered for each department as and when the department develops its performance pledge.
- (b) Detailed arrangements, including accountability, will be developed for each Users' Committee in the light of the department's performance pledges. In general the committees will review the outcome of department's monitoring of performance pledges; consider reports from departments on the number and types of complaints and suggestions from the public in relation to the services covered by a pledge; and advise as they consider appropriate on matters covered by a pledge.
- (c) Membership of Users' Committees will be decided on a case-by-case basis. As a guideline, membership should comprise members of the public who are familiar with or rely on the services subject to a pledge. There are a number of existing committees which could be developed into Users' Committees.
- (d) The plan is for all departments providing services to the public to join in the performance pledge programme over a period of about two years.

Motions

SUSPENSION OF STANDING ORDERS

THE FINANCIAL SECRETARY moved the following motion:

"That Standing Orders 7 (Commencement of Sittings), 11 (Order of Business at a Sitting) and 12 (The Order Paper) be suspended to enable the Governor to brief Members about his recent overseas visits, and if he so wishes, invite and answer questions from Members on matters arising from the visits, at a sitting of this Council on 1 December 1992."

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

The Governor would like to meet Members soon after his return from his current overseas visits to brief them about his visits and to answer Members' questions. He, as President of this Council, has appointed 1 December for a

sitting for this purpose. To this end, Standing Orders 7, 11 and 12 have to be suspended.

Mr Deputy President, I beg to move.

Question on the motion proposed, put and agreed to.

PHARMACY AND POISONS ORDINANCE

THE SECRETARY FOR HEALTH AND WELFARE moved the following motion:

"That the Pharmacy and Poisons (Amendment) Regulation 1992, made by the Pharmacy and Poisons Board on 16 October 1992, be approved."

She said: Mr Deputy President, I move the motion standing in my name on the Order Paper in respect of the Pharmacy and Poisons (Amendment) Regulation 1992.

The recent increase in cases of abuse of cough medicines, especially among our young people, calls for tighter control on the sale of cough medicines containing codeine or dextromethorphan.

Under the Pharmacy and Poisons Ordinance and its Regulations, different types of poisons are subject to different levels of control owing to difference in potency, toxicity and side-effects. At present, only cough medicines containing more than 1.5% of codeine or dextromethorphan are First Schedule poisons. They should be stored in a receptacle which is securely locked and their sale requires proper entry into a poisons book.

However, in view of the increasing abuse of cough medicines containing less than 1.5% but more than 0.1% of either of the two poisons, it is desirable to extend control on First Schedule poisons to substances containing more than 0.1% of codeine or dextromethorphan.

Under section 29 of the Pharmacy and Poisons Ordinance, the Pharmacy and Poisons Board, subject to the approval of this Council, may make regulations controlling the sale of poisons and medicines. Accordingly, the Board has agreed to amend the First Schedule to the Pharmacy and Poisons Regulations to achieve tighter control. The approval of this Council is now sought.

Mr Deputy President, I beg to move.

Question on the motion proposed.

MR MICHAEL HO (in Cantonese): Mr Deputy President, I speak to support the amendment to the Ordinance. I know there are presently still large quantities of first schedule poisons being smuggled into Hong Kong and distributed in many clandestine locations. The enforcement of the amended Ordinance is thus of crucial importance.

To my knowledge, in the past the Department of Health would send some pharmacy graduates to various dispensaries or pharmacies to carry out test purchases of first schedule poisons. But after the separation of the Hospital Authority and the Department of Health, these pharmacy graduates can no longer carry out such duties for the Department of Health, leading to a drop of such test purchases from about 2 000-odd cases to the current level of 500-odd each year. I understand that there are more than 5 700 dispensaries and pharmacies in Hong Kong which require regular inspections but the Department of Health currently has only one Senior Pharmacist and 10 Pharmacists. I hope, after the passing of the legislation, the department concerned could expeditiously formulate necessary plans to address the problem and strengthen the establishment in order to enforce the Ordinance effectively.

These are my remarks.

SECRETARY FOR HEALTH AND WELFARE: Mr Deputy President, I am very grateful to the Honourable Michael HO for his constructive remarks. I entirely share his view, that for control to be effective, there must be appropriate monitoring and enforcement. There are at present some 4 415 premises licensed under the Pharmacy and Poisons Ordinance. Over the last 12 months Department of Health inspectors conducted a total of 5 600 inspections to these premises. In addition, 401 test purchases (所謂放蛇行動) were made in the first 10 months of this year from the 215 retailers who are authorized to sell cough mixtures containing codeine and dextromethorphan. To this end also we intend to increase appropriately the establishment of the Inspection and Licensing Section from one Senior Pharmacist, as mentioned by Mr HO, and 10 Pharmacists to two Senior Pharmacists and 12 Pharmacists. This will enable us to increase the number of inspections to some 8 500 per year thus ensuring that each of the licensed premises will be inspected at least twice a year. More frequent inspections will be made to those with a record of previous offences against the Ordinance. We are also considering engagement of part-time staff to carry out even more test purchases from retailers of medicine.

In a concerted effort to deal with the problem, we propose to increase the levels of penalty against offences under the Pharmacy and Poisons Ordinance. Indeed, later this afternoon, I shall be moving the Second Reading of the Exemptions From Registration and Transfer of Powers (Miscellaneous Amendments) Bill which proposes, *inter alia*, increase of penalties to provide added deterrent.

Mr Deputy President, I share Members' concern for proper safeguard for our community and particularly to prevent abuse of drugs amongst our young people. With these remarks, Mr Deputy President, I commend the amendment regulation to Members.

Question on the motion put and agreed to.

REGISTRATION OF PATENTS ORDINANCE

THE SECRETARY FOR TRADE AND INDUSTRY moved the following motion:

"That the Registration of Patents (Fees) (Amendment) Rule 1992, made by Registrar of Patents on 26 October 1992, be approved."

She said: Mr Deputy President, I move that the Registration of Patents (Fees) (Amendment) Rule 1992 be approved.

The fees payable to the Registrar of Patents in connection with the registration of patents were last revised in 1989. Following a costing exercise undertaken by the Secretary for the Treasury, it is proposed that all fees be increased in order to take account of the cost of services provided and to bring them in line with the level of fees charged for similar services relating to registration of trade marks. This is consistent with the established policy of users paying the full cost for the services provided.

Mr Deputy President, I beg to move.

Question on the motion proposed, put and agreed to.

First Reading of Bills

DUTIABLE COMMODITIES (AMENDMENT) (NO. 2) BILL 1992

INLAND REVENUE (AMENDMENT) (NO. 5) BILL 1992

EXEMPTIONS FROM REGISTRATION AND TRANSFER OF POWERS (MISCELLANEOUS AMENDMENTS) BILL

IMPORT AND EXPORT (AMENDMENT) BILL 1992

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

Second Reading of Bills

DUTIABLE COMMODITIES (AMENDMENT) (NO. 2) BILL 1992

THE SECRETARY FOR THE TREASURY moved the Second Reading of: "A Bill to amend the Dutiable Commodities Ordinance."

He said: Mr Deputy President, I move that the Dutiable Commodities (Amendment) (No. 2) Bill be read the Second time.

The purpose of the Bill is to remove operational difficulties facing the Commissioner of Customs and Excise in enforcing the provisions of the Dutiable Commodities Ordinance relating to the forfeiture of seized goods. Members of the Customs and Excise Department have experienced practical difficulties in enforcing these procedures. Extensive, and in many cases unnecessary documentation is required in serving notices. Service of notices is particularly difficult if the owners reside overseas or if the owners "disappear" after lodging the notice of claim. Confiscated goods are also posing a significant — and costly — storage problem. A review has been conducted to streamline the forfeiture provisions to resolve these practical difficulties.

The Bill will empower the Commissioner to dispose of seized articles which are perishable or difficult to store before the conclusion of the forfeiture proceedings. This will produce savings in storage space and cost.

The Bill will also broaden the categories of people who can make a claim to the Commissioner or the magistrate in forfeiture proceedings. This will enable anyone with a legitimate interest in the seized goods to come forward to claim the goods.

It now takes on average about 12 months to conclude criminal and forfeiture proceedings. The amendments will shorten this period by up to six months in certain cases.

The Bill will produce savings in staff time and storage space without compromising the fairness of the system to the public.

Bill referred to the House Committee pursuant to Standing Order 42(3A).

INLAND REVENUE (AMENDMENT) (NO. 5) BILL 1992

THE SECRETARY FOR THE TREASURY moved the Second Reading of: "A Bill to amend the Inland Revenue Ordinance."

He said: Mr Deputy President, I move that the Inland Revenue (Amendment) (No. 5) Bill be read the Second time.

The background to this legislation is the Government's firm commitment to bring legislation in Hong Kong into line with the Bill of Rights. Departure prohibition directions, or "stop orders" as they are commonly known, enable the Commissioner of Inland Revenue to prevent a person with unpaid tax from leaving Hong Kong. They play an essential part in our effort to combat tax evasion. Doubts have, however, been raised as to whether the existing provisions governing the issue of these "stop orders" are consistent with the Bill of Rights. We are therefore seeking to amend the law to provide adequate safeguards in these provisions to ensure Bill of Rights consistency, while preserving the Commissioner's ability to protect public revenue. We have also taken the opportunity to introduce a series of minor amendments, principally administrative in nature, to the main Ordinance and to repeal a number of provisions that have become redundant with the passage of time.

Section 77 of the Ordinance now allows the Commissioner to issue a certificate to a District Judge in respect of a person who he believes is about to leave Hong Kong, or is likely to do so, without paying all tax assessed upon him. The District Judge must then issue the "stop order" to the Commissioner of Police to take such measures as may be necessary to prevent the person from leaving Hong Kong without paying the tax due. This mechanism, under which the court merely acts as the formal issuer of a "stop order", does not provide a taxpayer with any avenue for appeal.

In June 1991, a District Judge refused to issue three "stop orders" on the grounds that to do so could be held to contravene the Bill of Rights. The Bill of Rights provides for certain exceptions to the freedom to leave Hong Kong, where this is in the public interest. Such exceptions must, however, be consistent with the other rights protected by the Bill of Rights, including the right to a hearing provided for in Article 10.

The Bill before this Council provides specifically for circumstances under which a "stop order" may be revoked. It gives taxpayers for the first time the right to apply to the Commissioner for such a revocation and also the right to appeal to the High Court.

It has been suggested that the Bill should go further and transfer to the courts the discretion to decide whether or not a "stop order" should be issued in the first place. Such a procedure would inevitably take a good deal of time in individual cases. In the case of defaulting taxpayers, or taxpayers who may intend to default, the ability of the Government to protect the public interest depends critically on speed of action. In other words, to transfer discretion to issue "stop orders" to the courts would provide a window of opportunity for persons with unpaid tax to abscond at will. This would be an open invitation to tax evasion.

Mr Deputy President, the Bill now before this Council preserves the Government's ability to protect public interest by taking swift and effective action to prevent defaulting taxpayers from leaving the territory. At the same

time, it strengthens the rights of individual taxpayers. By requiring the Commissioner to serve a copy of the "stop order" upon the taxpayer and by providing proper channels of appeal, it ensures that the relevant provisions of the Inland Revenue Ordinance will be consistent with the Bill of Rights.

Bill referred to the House Committee pursuant to Standing Order 42(3A).

EXEMPTIONS FROM REGISTRATION AND TRANSFER OF POWERS (MISCELLANEOUS AMENDMENTS) BILL

THE SECRETARY FOR HEALTH AND WELFARE moved the Second Reading of: "A Bill to amend the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance, the Medical Clinics Ordinance, the Pharmacy and Poisons Ordinance, the Antibiotics Ordinance and the Tung Wah Group of Hospitals Ordinance."

She said: Mr Deputy President, I move that the Exemptions from Registration and Transfer of Powers (Miscellaneous Amendments) Bill be read a Second time.

This Bill seeks to update a number of legislative provisions in the light of prevailing circumstances and recent developments.

The proposed amendments to the interpretation sections of the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance, Medical Clinics Ordinance and Pharmacy and Poisons Ordinance aim to conform to the established practice of exempting public medical institutions from registration and other related requirements.

The existing Tung Wah Group of Hospitals Ordinance includes references to a "medical committee". However, its functions have been taken up by Hospital Governing Committees upon the establishment of the Hospital Authority. We therefore propose to delete such references from the Tung Wah Group of Hospitals Ordinance.

The Government has conducted a review to reduce the workload of the Executive Council. It is proposed that certain regulation-making powers of an administrative or operational nature in the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance, the Medical Clinics Ordinance and the Antibiotics Ordinance be delegated to the Secretary for Health and Welfare or to the Director of Health as appropriate.

The levels of penalty in the Pharmacy and Poisons Ordinance and the Antibiotics Ordinance date back many years. We seek to adjust these levels so as to maintain an effective deterrent against potential offenders.

Disciplinary procedures provided in the Pharmacy and Poisons Ordinance are cumbersome and inflexible. We propose to streamline these so that it will no longer be mandatory to appoint a Disciplinary Committee to handle cases involving minor or trivial complaints. The Bill further provides for the issue of warning letters as an additional sanction against authorized sellers of poisons who commit an offence, and seek to bring in line the effective date for different forms of punishment under section 16(2) of the Ordinance.

Bill referred to the House Committee pursuant to Standing Order 42(3A).

IMPORT AND EXPORT (AMENDMENT) BILL 1992

THE SECRETARY FOR TRADE AND INDUSTRY moved the Second Reading of: "A Bill to amend the Import and Export Ordinance."

She said: Mr Deputy President, I move that the Import and Export (Amendment) Bill 1992 be read the Second time.

The Bill seeks to address the problems confronted by the Customs and Excise Department in enforcing the forfeiture provisions in the Import and Export Ordinance.

Due to an increase in smuggling activities in recent years the Commissioner of Customs and Excise has to store an increasing amount of seized articles. Since 1988 the storage space required has increased five times and additional costs have been incurred.

Amendments are proposed to enable the Commissioner, subject to adequate checks and balances, to dispose of those seized articles which are perishable or deteriorating in nature or difficult to store, prior to conclusion of any forfeiture proceedings.

At present, the Commissioner is obliged to serve notices of seizures on all parties who appear to him to be associated with the seized goods. There are difficulties in serving notices of seizures on persons who do not have a permanent address in Hong Kong.

Amendments are proposed to limit the circumstances under which the Commissioner needs to serve a notice of seizure to the owner, and at the same time, to broaden the categories of persons who can make a claim to the Commissioner and to the magistrate in a forfeiture hearing. This would allow more efficient use of resources by the Commissioner without compromising the principle of equity.

It now takes on average about 12 months from the point of seizure to conclude the criminal and forfeiture proceedings of a normal case of prosecution under the Ordinance. Where the claimant of the seized goods is

also the defendant of the forfeiture proceedings, the amendments would shorten the proceedings by six months. This would help economize the use of resources by the Commissioner, the Attorney General and the Judiciary. It would also help ameliorate the storage problem.

The Bill also seeks to increase the maximum penalties for offences related to strategic commodities. This is a preventive measure to provide an adequate deterrent against illegal trade in weapons and goods with military applications.

Strategic commodities offences, when tried on indictment, would attract a maximum penalty of seven years imprisonment and an unlimited fine, in line with the penalties in other common law jurisdictions. The maximum penalty for offences on summary conviction would remain unchanged.

Bill referred to the House Committee pursuant to Standing Order 42(3A).

Members' motions

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR FREDERICK FUNG moved the following motion:

"That the Ferry Services (Hong Kong and Yaumati Ferry Company, Limited) (Determination of Fares) (Amendment) Order 1992, published as Legal Notice No. 236 of 1992 and laid on the table of the Legislative Council on 7 October 1992, be amended:

(a) by repealing section 2 and substituting -

"2. Interpretation

Paragraph 3 of the Ferry Services (Hong Kong and Yaumati Ferry Company, Limited) (Determination of Fares) Order (Cap. 104 sub.leg.) is amended by adding -

""afternoon" means the period from 12 noon to midnight in any day;"; and

(b) in section 3, in item III of the Schedule -

(i) by adding "afternoon" after "Saturday" where it twice appears; and

(ii) by adding "except Saturday afternoon" after "Weekday" where it twice appears.

MR FREDERICK FUNG (in Cantonese): Mr Deputy President, I should like to move an amendment to the Ferry Services (Hong Kong and Yaumati Ferry Company, Limited) (Determination of Fares) (Amendment) Order 1992, published as Legal Notice No. 236 of 1992 and laid on the table of the Legislative Council on 7 October 1992. My motion mainly relates to the revision of fares, and seeks to make holiday fares not chargeable on Saturday before 12 noon. I seek to add the word "afternoon" to the text of the Order, "afternoon" being defined as beginning at 12 noon.

I have four reasons for moving the amendment and they are as follows:

- (1) I think that the affected parties were not consulted at any time during the fare increase process. As a result, these affected parties were denied their right to know about an important decision, which hinges on a definition of terms, when it was made. According to the minutes of the ad hoc group's meeting of 13 August 1992, the Acting Commissioner for Transport was present at that meeting and he said that consultation traditionally stopped at the Traffic Advisory Committee and did not extend to the level of district boards. But then he added that consultation would be extremely useful to passengers who were without alternative means of transport. Why then did he not consult them on this particular matter?

Another question related to consultation is that the particular decision was passed and put into effect on 20 July, when the Legislative Council was in recess. The Legislative Council did not have suitable time for discussing or debating the decision that was passed and put into effect while it was in recess. Thus, I feel that, because the decision came into effect immediately upon approval by the Executive Council, Hong Kong and Yaumati Ferry Company (HYF) was given a chance and used it to "steal a head start", so that now, when this Council formally introduces a motion or tries to make a decision, HYF can say that the fare increases have already been in effect for as long as four months. This is a serious setback to this Council's right to know what is going on.

- (2) I am totally at a loss as to why Saturday forenoon should come under the definition of holiday. The statutory holidays announced by the Government include all Sundays and 17 public holidays, including three or four Saturdays. Most people normally have to work on the other Saturdays. How can Saturday forenoons come under the definition of holiday? Is this a mistake of law? Is it a mistake made by HYF? Are there, perhaps, other explanations? I find totally unacceptable HYF's explanation that the people of Hong Kong do not have to work on Saturdays. The truth is that they do have to work on Saturdays. We therefore cannot accept the particular definition.

- (3) There is this question about the business operations of HYF. Some documents I have seen, as well as the minutes of some of the meetings of our ad hoc group, all refer to HYF's unsatisfactory operating results. HYF's gross and net incomes have declined from year to year. Its profit margin has fallen from last year's 9% to the present 5% or so. The fare increases will enable HYF to expand its operations by more than 9%. Actually, the intention is to increase HYF's profit by more than 9%. I would like to ask about the cause of this operation problem. Is it due to passengers being charged too little? Is it due to HYF's services being unattractive? Is it due to HYF's overblown pay-roll? Or is it due to HYF's management problems? Actually, operation problems may be due to many causes. The level of fares does not have to be the sole cause.
- (4) In fact, there is documentary evidence to show that charging holiday fares on Saturday forenoons increases HYF's gross income by only \$3 million to \$4 million a year. During the four months when HYF was enjoying its "stolen head start," the greatest number of people happened to use its services on Saturday forenoons. Because of this, and probably also because schools were off in summer, HYF already raked in nearly half of this \$3 million to \$4 million, doing so both openly and surreptitiously. This now leaves a shortfall of only between \$1 million and \$2 million. Still, I would like to tell Members that, according to HYF's annual report and other documents, its outlying islands services, of all or most of its ferry services, are profitable. After the fare increases, the profit from the outlying islands services will be \$69.5 million, while the other ferry services will lose money. For example, its inner harbour services will lose \$21.5 million; its new towns services will lose \$3.7 million; and its vehicular ferry services will lose \$21.7 million. It appears from this that HYF's most profitable services are its outlying islands services. Is it because they are profitable that they must be made more profitable still? I feel that this need not be the right thing to do.

What is the size of the recently announced fare increases? Regular fare will increase from \$6.50 to \$12, by 84.6%. Deluxe class fare (for those using the upstairs air-conditioned cabin) will increase from \$10 to \$23, by 130%. True, fares have not been increased for the past 20 months. Still, I believe that the rate of inflation has not been 84% or 130%. Actually, the cost of gasoline or petrol has fallen over the past year or so. We really do not see fuel cost as a factor in the company's rising operating costs.

There is another point that I would like to mention. Who will be the most affected by the fare increases? In my article, I do not think that the kinds of persons affected are the most important or decisive factor. This is because the issue here is not who will be affected. Therefore, when we consider whether the fare increases are warranted, our basic principle should be to make some

comparisons and find out if it is justifiable to charge holiday fares on Saturday forenoons (I emphasize Saturday forenoons).

We feel that people in two kinds of situations will be unfairly affected by the fare decision. Some people live on outlying islands. They need to leave home on or before Friday for work in the urban area. They may need to go home on Saturday or Sunday. But HYF now offers them no preferential non-holiday fares. The second kind of situation involves an increasing number of people whose homes (ancestral homes) are on outlying islands but who work in the urban area. They have rented or bought flats in the urban area to be nearer their places of work. They return to their homes on the outlying islands on Saturday and Sunday. These people, too, are offered no preferential fares by the ferry company, such as monthly tickets and return tickets at non-holiday rates that may be bought on the islands on Friday for use on the following Saturday or Sunday. True, this shows that only a small number of people are affected. Still, I think that the most important question is whether we should be so ready to count Saturday forenoons as holiday time. If we do, then I should worry very much. We have already seen the precedent of the Mass Transit Railway raising rush-hour fares. Will Friday nights, too, fall within the definition of holiday at some time in the future, since Saturday forenoons can fall within this definition? Monday mornings before eight can also be counted as holiday, since some people have not begun going to work yet at that hour. Should this happen, the definition of holiday may be expanded indefinitely until our limit of tolerance is reached. Actually, I do not even want to draw a line at 12 noon, Saturday, as the beginning of holiday time. The reason is that those who have to work on Saturdays are not yet off work at 12 noon. Even if they do get off work at 12 noon, they may not be able to get to the ferry pier in time to buy outlying islands ferry tickets before noon. As far as I am concerned, 12 noon is already a compromise and a concession on the definition of holiday.

In view of the above, Mr Deputy President, I am moving an amendment to seek a decision against charging holiday fares on Saturdays before 12 noon. Thank you, Mr Deputy President.

Question on the motion proposed.

MRS MIRIAM LAU (in Cantonese): Mr Deputy President, in studying the fare increases of the Hong Kong and Yaumati Ferry Company (HYF), I think the most important thing is to consider whether the the rate of increase is reasonable. The last time that HYF increased its fares was in November 1990. Twenty-one months intervened between then and July this year. Over this period, inflation went up 19%. HYF's fare increases this time average 16%, which is lower than that of the inflation rate. Nobody likes price increases; particularly fare increases in public transport services. However, in view of inflation and rising operating costs, it is very difficult for us to reject its request for a reasonable fare adjustment should we demand a certain standard of services from HYF. There is information to show that HYF's rate of return in

each of the past five years was less than 10% of its net asset value. Even with the present fare increases, it is estimated that the company's profit will be less than that of last year.

HYF's operating circumstances are rather unusual. With the development in other modes of public transport in recent years, the volume of ferry passengers has been on the decline. During the past few years, HYF's outlying islands services were the only profitable ones. Most of its other services lost money. In order to maintain these unprofitable services to meet the continuing demand, HYF has had to subsidize them with its profit from the outlying islands services. This kind of subsidy is reflected in the fare structure. The outlying islands services are profitable mainly because many people, who do not live on the outlying islands, make recreational ferry trips there on weekends and holidays. HYF therefore has made this holiday fares policy, the purpose of which is to make more money from the holiday-makers, thus supporting HYF's other services. In order to minimize the effects of holiday fares on the inhabitants of the outlying islands, HYF offers them same-day return tickets at regular fares. Such tickets can be used from Friday evening to Sunday. In addition, HYF offers discount monthly tickets to those islanders who are frequent users of the ferry services.

It is worth mentioning here that I have noticed that the Government has taken deliberate care to keep the non-holiday outlying islands ferry fares at a rather low level during the past few years. The intended beneficiaries of this are those islanders who are frequent users of the ferry services.

The most controversial part of the fare increase package this time is the extension of holiday fares to Saturday mornings. I understand that the public finds it hard to accept the concept of paying holiday fares on Saturday mornings as the morning is not a holiday in Hong Kong. However, according to a survey conducted by the Transport Department, many holiday-makers do use the outlying islands ferry services on Saturday mornings. As for the island residents, because they can buy monthly tickets or same-day return tickets, the impact on them will not be too great.

From the study of the present fare increases, I understand that HYF originally applied to increase the non-holiday fares for outlying islands services from \$6.50 to \$7.50. The proposed rate of increase was 15.4%, which was still below the rate of inflation. Although the proposed rate of increase was rather reasonable, the Government thought that it should be made even lower, with beneficial effects on the islanders. It was then proposed that the non-holiday fare be increased by only \$0.50 or 7.7%, which means the fare will be increased from \$6.50 to \$7.00. But HYF will suffer a revenue loss of about \$4 million per annum because of this. It is hoped that this amount can be recovered from the charging of holiday fares on Saturday mornings. If the charging of holiday fares on Saturday mornings is disallowed now, HYF's annual profit will suffer a \$4 million decline. In fact, the business performance of HYF has never been good. A further decline in profit will make it very difficult to motivate share-holders

to continue investing in the company, let alone in the improvement of ferry services. In addition, I understand that HYF uses a very complex method of computation in setting the levels of fares, a method that factors in the need for some services to subsidize the others. Therefore, the disallowing of a particular fare increase is sure to have adverse effects on HYF's operation and services. Of course, the simplest approach is to reintroduce the originally requested \$0.50 increase in the non-holiday fares for outlying islands services. In doing so, certainly more islanders will be affected; I do not think they will accept it.

In addition, to show that it is sincere about improving services, HYF has promised to spend about \$4 million on a stored-value ticket system which will be installed within seven months. This will take care of the islanders' long-standing unhappiness with the inflexibility of the monthly ticket system. It should presumably be counted as a major improvement in ferry services.

The ad hoc group on fare increases met seven times and gave full consideration to the above well-reasoned analysis, and listened to the views of groups opposed to the increases. It then reached a unanimous decision in favour of the fare increases. Its decision was made known to the Legislative Council's House Committee and support for it was sought from the other Councillors. The ad hoc group has made it clear that it does not identify with the notion that holiday fares may be charged on Saturday mornings. In fact, at the request of the ad hoc group, HYF has promised to discontinue this particular measure in the next round of fare adjustment. The Government, too, has guaranteed that the measure will not become a precedent. After the House Committee meeting, the ad hoc group had a further meeting with an objecting body that it had met before. Regrettably, despite the absence of new arguments, some members of the ad hoc group did the inexplicable thing of overturning the decision that had been reached unanimously.

Mr Deputy President, I have studied the whole matter very thoroughly. I decided to support the ad hoc group's unanimous decision only after I had rationally analyzed and objectively studied the fare increases. I have not had any reason or seen any new evidence which makes me change my mind.

Mr Deputy President, with these remarks, I oppose Mr Frederick FUNG's motion.

MR LEE WING-TAT (in Cantonese): Mr Deputy President, on behalf of the 13 Legislative Councillors of the United Democrats of Hong Kong (UDHK), I oppose the charging of holiday fares on Saturday mornings by Hong Kong and Yaumati Ferry Company (HYF). Such an action by HYF does not make sense in principle; it will also set a very bad precedent of unjustified increases in non-holiday charges by franchised public services companies.

The business of HYF has been fairly stable for the past few years. In each of the past five years except 1990, its after-tax profit exceeded \$30 million or about 9% of assets value. It is estimated that, with the new fares, HYF's after-tax profit for 1992 will again be a healthy \$30 million. In fact, according to its financial statement, HYF's principal source of profit is the outlying islands services (whose 1991 profit was \$60 million). Outlying islands services include non-holiday services used by commuters and holiday services used by holiday-makers. HYF's major loss-making services are the inner harbour ferry services and vehicular ferry services. These together lost \$44 million in 1991. Thus, cross-subsidization of HYF's ferry services is serious. This refers mainly to the use of the profit of the outlying islands services for making up the loss of the inner harbour ferry services and the vehicular ferry services. Charging holiday fares for outlying islands services on Saturday mornings will aggravate the problem of cross-subsidization. It is unacceptable.

In fact, the subsidiary legislation on the charging of holiday fares for outlying islands services on Saturday mornings was laid on the table of the Legislative Council just before it went into summer recess. This was unreasonable timing on the part of the Transport Branch and the Government. As a result, the Legislative Council, which was going into recess for the summer, could not study this particular piece of legislation. Because of this, HYF was able to introduce the disguised fare increases during the summer holidays which are the peak season for the outlying islands services. HYF has already raked in a huge profit in this manner. It is estimated that, even if the unreasonable fares are discontinued now, HYF's expected revenue will decline by only about \$2 million, which is a very small sum compared with HYF's profit of more than \$30 million. This sum is also negligible in terms of HYF's 1991 group income of \$150 million.

With the joining of new partners, HYF has been more active in the property market than in providing ferry services. It has forgotten that its principal business is ferry services and not real estate. Most recently, HYF made plans to develop buildings on top of its piers. In contrast, the HYF's investments in ferry services hardly broke any new ground during the past five years. The assets value of its ferry services remained at the \$390 million level over this five-year period. No progress was made. No new ferry was added to improve the service. HYF becomes a company that is interested in real estate business but not in ferry services. This makes us wonder if such a progress-shy company should be given the ferry franchise.

The quality of HYF's ferry services has long been criticized by the Islands District Board, the Islands District Council and the inhabitants of the outlying islands. The subjects of complaints include infrequent ferry services, slow ferry speeds, unhygienic conditions of the ferries and bad manner of the staff. The Islands District Board and the Islands District Council have reflected these problems to HYF and the Transport Branch for many years. But no improvement at all has been made. This is very disappointing. The Islands District Council issued a paper on the improvement of the outlying islands

transport services in July this year. Their main recommendations are as follows:

- (1) to develop high-speed ferry services, such as using hovercraft and twin-hull craft;
- (2) to increase the speed of ferries;
- (3) to continue to provide holiday return tickets at discount fares. The fares should be charged according to distance and should not be uniform;
- (4) to introduce stored-value tickets;
- (5) to widen the difference between the regular class fare and the deluxe class fare and to encourage holiday-makers to use the deluxe class;
- (6) to charge holiday fares only on Sundays and public holidays. Saturday mornings should not be counted as a holiday;
- (7) to study ways for and encourage HYF to diversify its services. HYF should set pier space aside for passenger and cargo uses;
- (8) to enhance the monitoring of HYF by the Government and make HYF's books public;
- (9) to set up a widely-representative traffic advisory body composed of representatives from grassroots, district organizations and different sectors;
- (10) to enhance communication between HYF and the passengers, for example, to install telephone hot-lines and provide better training to, and tighten the supervision of HYF employees; and
- (11) to introduce discount fares for the elderly and to encourage them to use public transport to travel around so as to maintain social contacts.

Mr Deputy President, the above recommendations have in fact been put forth many times by the Islands District Board and the Islands District Council. Regrettably, the HYF and the Transport Branch either did not accept them or accepted but failed to implement them. I hope that the Transport Branch will consult these two organizations seriously in the coming year and take actual steps to effect the improvements.

Mr Deputy President, I would now like to say something about the change of decision of the ad hoc group. Indeed, views from all quarters had been

listened to during the group's consideration of the fare increases. We discussed them. However, after the ad hoc group made its preliminary decision, we received more comments from the Islands District Board and the Islands District Council which remained opposed to the fare increases. In addition, there are new arguments. The bodies offering the new arguments did not think that the \$4 million stored-value system would be necessary or should be introduced at this time. If this system is not to be installed, HYF can save \$4 million, and it will not have to fund this \$4 million item by charging holiday fares on Saturday mornings. This is the new argument that makes the ad hoc group change its mind.

Mr Deputy President, finally, on behalf of the UDHK, I oppose HYF's charging holiday fares for the outlying islands services on Saturday mornings.

MR WONG WAI-YIN (in Cantonese): Mr Deputy President, I am also a member of the ad hoc group. Just now, two members of the group argued the matter pro and con. Much of what I have to say has already been said by Mrs Miriam LAU. The ad hoc group held its first meeting towards the end of July. Within three months from then until the end of October, it held a total of seven meetings. Thus, the group met very frequently, at the average rate of more than twice a month. During the discussions at these seven meetings, all members of the group were opposed to the principle of charging holiday fares on Saturday mornings. It was an important question of principle. Today, some members of the ad hoc group seem to be raising this question of principle anew. In fact, if the main reason for the objection was based on such a principle, then there was no need for the group to meet seven times. A conclusion could have been reached at the first meeting and taken to the full Legislative Council for a vote. Why did we take the time to hold seven meetings? The answer is that we wanted to know more about the views of the public and the Government. What are the Government's principles? What are the arguments behind the charging of holiday fares on Saturday mornings? It has been learnt that, when Hong Kong and Yaumati Ferry Company (HYF) first applied for fare increases, it asked for a \$1 increase in the outlying islands ferry fares. However, some eggheads in the Transport Branch thought up a plan. Under this plan, the increase was to be only \$0.50. This would be less burdensome on the inhabitants of the outlying islands. But the plan also contained the stupid idea of charging holiday fares on Saturday mornings, which would shift the burden to the holiday-makers. Even though this has not caused a stir in the community, it has resulted in the reversal of the decision of the ad hoc group. Should holiday-makers subsidize the islanders? This, of course, is also a question of principle. If we all disapprove of such a principle, then many public transport services and many routes will have to stop operating or their fares will have to be raised sharply. The members of the ad hoc group, after seven meetings, arrived at a conclusion in favour of the charging of holiday fares on Saturday mornings, provided that such a measure was to be discontinued in the next round of fare increases and it was not to become a precedent that could be followed by the other public transport services. The Transport Branch agreed to these

conditions. Consequently, there is no need for everybody to worry that a precedent has been set and will be followed by the other public transport services. In addition, the ad hoc group's conclusion can put pressure on HYF to improve its services soon and to offer store-valued tickets. This will be good for the islanders. Of course, the stored-value tickets will have to be more favourable than the present monthly tickets, or the islanders will not support them.

In fact, during our seven meetings, we already took into full consideration the arguments put forward by Mr Frederick FUNG. Finally, in return for HYF's promise to discard this particular fare-charging method in the future and to expedite the offering of more favourable stored-value tickets to islanders, the ad hoc group reluctantly and conditionally accepted the fare increase package. However, within a week after the group's report reached the House Committee, some members of the ad hoc group shifted their original supportive position. Of course, everybody is free to change his mind. Still, I feel that such a sudden change in the absence of new arguments, coming in the wake of detailed discussions at seven meetings of the ad hoc group, can be called a "dramatic change" at best and a "farce" at worst. Though members of the ad hoc group may take different positions based on their views, yet they must support their positions with arguments that are reasonable and convincing. But I do not see this. The only thing that we are now hearing is that the conclusion reached after seven meetings should be totally overthrown.

Meeting Point always study problems by discussing and analyzing them rationally. Of course, the public may not be fully receptive to such an approach of ours. For instance, Meeting Point always support higher cross-harbour tunnel tolls and higher taxi fares. Our purpose in supporting higher fares is not to enable the companies concerned to make more money. Our purpose is to ease road congestion and thus to benefit the vast majority who use the public transport services. Similarly, when we conditionally accept HYF's charging holiday fares on Saturday mornings, the reason behind our supportive position is that we want to benefit the vast majority of the islanders. No matter how the vote will turn out later on, I believe that the Member who moves the amendment and those members of the ad hoc group who are now opposing the group's original decision, will be the "winners." This is because they have already won for themselves the good name of "champion of the people's cause." However, if fairness is the issue, then it must be noted that the bus companies are using profits from profit-making routes to subsidize the operation of many loss-making routes. If we disapprove of this form of cross-subsidization as a matter of principle, then fares will have to be raised sharply for many public transport services including the inner harbour ferry services and the implications will be very far-reaching. So when we study a problem, we should put it in perspective and look at it from all angles. We should not look at it in isolation.

Mr Deputy President, with these remarks, I support the original decision of the ad hoc group.

MR ALBERT CHAN (in Cantonese): Mr Deputy President, as the ad hoc group's convener, I should like to use this opportunity to give Members a brief description of the group's entire deliberation and decision process. After it was set up, the group wanted to be able to hear the views of all quarters, including the views of affected groups. We contacted the Islands District Board and held two meetings with the Islands District Council and with local groups of Kwai Tsing. We also held many meetings with the Government and with Hong Kong and Yaumati Ferry Company (HYF). The ad hoc group wanted to use an objective, rational and systematic method to study the grounds for HYF's fare increase proposal and to find out what changes might have to be made to the proposal.

A moment ago, three members of the ad hoc group already provided clear descriptions of some of the views formed by the group during its consideration of the matter. I will not repeat them. However, I would like to point out that the ad hoc group ran into two basic difficulties in its decision process. (1) Some individuals and groups put forth certain suggestions and requests at one time and changed them later on. This presented certain difficulties to the ad hoc group in the decision process. (2) Different individuals and groups put forth different requests. For instance, some groups in Kwai Tsing pointed out that the increase in the fare from Tsing Yi to Central was 25% which they considered to be excessive, while groups in outlying islands, on the other hand, suggested that inner harbour services should not have to be subsidized by higher fares for outlying islands services. The latter groups suggested that the inner harbour services should either charge realistic cost-reflecting fares or be discontinued. The ad hoc group took the varying views into consideration. As the ad hoc group's convener, I hoped that the meetings would enable me to hear the views of all quarters so that I might, in the words used by the Honourable Miriam LAU and the Honourable WONG Wai-yin a moment ago, show a rational and objective attitude in guiding the group to a conclusion. At the ad hoc group's seventh meeting, the basic position to be taken was decided upon. However, after the decision was made, we received further comments from groups in outlying islands, especially from the Islands District Board and the Islands District Council. They asked for a meeting with the ad hoc group to make representations. As the ad hoc group's convener, I naturally had to make the necessary arrangements. Hence, the eighth meeting.

At the eighth meeting, members of the ad hoc group were free to give new or fresh views with regard to the group's decision or to vary or reverse it. This was how the "position-shifting" of the ad hoc group, referred to by several Councillors a moment ago, came about. I feel that members of the ad hoc group were exercising their rights and freedoms.

Now that I have finished describing how the ad hoc group handled the issue of HYF's fare increases during the past three months, I would like to say a few words in my capacity as a directly elected Councillor representing New Territories South. The issue before us clearly has rather great repercussions for the people in New Territories South. The ad hoc group has already

considered and fully discussed the arguments such as were advanced by the Honourable Frederick FUNG a moment ago. The Government, too, has responded to his arguments. I feel that his motion for amendment is consistent with the requests of the people of New Territories South. From my standpoint as a member of the United Democrats of Hong Kong and an elected Councillor representing New Territories South, I support the motion for amendment.

SECRETARY FOR TRANSPORT: Mr Deputy President, the considerations underlying Hong Kong and Yaumati Ferry Company's (HYF) new fare scale have been explained fully to the Legislative Council ad hoc group convened by Mr Albert CHAN. Rather than going over the same grounds again, I would just like to highlight a few points relevant to the resolution now before this Council.

For many years, the weekday fares for HYF's outlying islands services have been kept at a relatively low level. Such low fares have been possible mainly because of revenue yields from the premium fares charged for recreational travel at weekends.

The recent extension of weekend fares to Saturday mornings was intended to generate additional revenue from holiday-makers. This arrangement is unique for the company and does not and will not apply to any other public transport operators. The main purpose is to protect the interest of the islanders and help to maintain low fares for regular commuters. Under the new fare scale the weighted average increase for weekday services is 10.6%. This is eight percentage points below the rate of inflation since the last fare increase in November 1990. Had there not been the extension of weekend fares to Saturday mornings, the weekday fares would have gone up by another 50 cents per trip or an aggregate increase of more than 15%.

The weekend fares are intended primarily for holiday-makers. The impact on islands residents is minimal. Regular commuters, including urban dwellers who work in the outlying islands, are protected by the use of monthly tickets. Islands residents who travel less frequently can avoid the higher weekend fares by using return tickets available to them at weekday fares.

If the weekend fares on Saturday mornings are removed, we estimate that the ferry company would suffer a revenue loss of about \$4 million per annum. Other things being equal, it would further reduce the company's already modest rate of return and act as a disincentive for continued investments. Without further investments, service standards could suffer and improvements may not be delivered in time in response to demand.

In determining the company's fares, the Administration took full account of all relevant factors. These included rising operating costs, the need to keep fares low for islands residents, and the resources required to implement service improvements requested by the district boards.

Since early this year, the company has deployed additional vessels to improve its services to the new towns and the outlying islands.

When presenting its case to the Legislative Council ad hoc group for the current fare scale, the company has undertaken to further improve its services in a number of areas. These include introducing a more flexible multi-ride ticket system, establishing passenger liaison groups, and additional efforts to promote use of its vehicular ferry services in the harbour. The company is also considering buying new high-speed vessels to upgrade service quality.

The extension of weekend fares to Saturday mornings forms an integral part of the fare package published in Legal Notice No. 236 of 1992. Any change would, in theory, require a thorough re-examination and formulation of a new package. There would be no guarantee that this would produce a more acceptable package overall. In its deliberations, the ad hoc group had met the Administration and the company in three of its seven meetings and spent much time in considering whether the weekday or deluxe class fares should be increased as an alternative to the recent increase in the Saturday morning fares. In the event, the decision was reached to support the present fare scale. In view of this, and of the company's undertaking to review the Saturday morning fares in about nine months, I urge Members to consider carefully whether there are sufficient grounds now to reverse their own original decision.

Thank you.

MR FREDERICK FUNG (in Cantonese): Mr Deputy President, having heard the speeches of several Councillors and the government official concerned, I find more than ever that the matter of fare increases this time does not really relate to the question of rationality or irrationality but is solely a political decision. I believe that everybody understands the arguments. The question is: What decision should be made on the basis of these arguments? Only this matters.

After listening to the speeches, I feel that two points about the issue are the most important.

The first point is that a \$0.50 cut-back will reduce profit by \$4 million. The second point is that Hong Kong and Yaumati Ferry Company's (HYF) services will not be improved and the question of stored-value tickets is of the utmost importance. I feel that, if we add these two points together, then the department's acceptance of this "stupid idea" — to use the words of the Honourable WONG Wai-yin — does not make it any less stupid than it was before. So the truth is that the \$4 million will be spent on introducing a system of stored-value tickets. So the truth is that it will not help the company to increase its income. So the \$4 million will not improve HYF's income picture; it will merely improve the ticketing system by introducing stored-value tickets.

Secondly, do all citizens feel that they want and like this improvement in the form of stored-value tickets? If they like stored-value tickets, if stored-value tickets are offered to them in their interest and for their benefit, why do they not want them? I do not quite understand. The monthly ticket that is now available to ferry passengers is a storage of trips. This means that a passenger is guaranteed a number of round trips depending on how much he pays. In contrast, if a passenger buys a stored-value ticket, it will benefit him the most only if he uses it for the last trip on a Saturday morning. If the ferry company's stored-value ticket is used in the same way as an MTR stored-value ticket, I do not see how it will give the user an advantage. If it offers an advantage, why, then, do people not want it? So I feel that the improvement may not be a real improvement from the point of view of the islanders.

Thirdly, I do not want to turn this debate into a debate on who is the "champion of the people's cause." Everybody has his own subject to raise, his own thought and his own standpoint. I think that this Council is a forum for the discussion of different views. One should not feel too soon that he is a hero.

On the issue of cross-subsidization, we are not opposed to it. Cross-subsidization is in fact going on. A moment ago, the Honourable LEE Wing-tat gave this Council some statistics. HYF's profit from the outlying islands services is \$58.9 million; its loss from the other services is \$52.5 million. In fact, the loss-making services are being largely subsidized by the outlying islands services. Nobody is talking of eliminating \$52 million from the profit of the outlying islands services. We have said nothing against cross-subsidization. However, should the outlying islands services continue to be put under pressure to cross-subsidize other loss-making services? Only this is the point at issue. Nor are we speaking against fare increases. We are merely speaking against the charging of holiday fares on Saturday forenoons. We think that Saturday forenoons should not be counted as holiday. The reasons are two: First, legally speaking, I cannot convince myself that people do not have to go to work on Saturday forenoons. Second, Saturdays are not same for the outlying islands residents as they are for the rest of the citizens of Hong Kong. Some islanders must go to town on Fridays and return home on Saturdays, when they will not be able to buy ferry tickets at non-holiday fares. Similarly, those islanders who have town residences will not be able to buy non-holiday tickets for trips back to their outlying islands. The question revolves around Saturday forenoons. By charging holiday fares on Saturday forenoons, we gain some advantage only at the expense of recreational travellers. Is this proper? In fact, we are here being drawn into the second question, which is this: Legally speaking, how can one convince us that people do not have to go to work on Saturday forenoons? I feel that drawing a line at 12 noon, Saturday, as the ending time of non-holiday fares is already a concession, a compromise. Saturday forenoons had never been treated as holiday until 20 July. I do not understand why things should be different now.

Finally, we have been debating this question of \$4 million. But the company has already "stolen a head start" of four months. It has already pocketed \$2 million. The present shortfall is actually less than \$2 million. Yet it is causing so much controversy. Is this worth it? Can HYF solve its problem of insufficient profit merely by increasing fares for outlying islands services? Is the problem so simple that it is only a matter of the outlying islands services? Historically, this Council has discussed many problems involving franchised companies such as the Kowloon Motor Bus (KMB), the China Motor Bus (CMB) and the power companies, particularly CMB. We have seen that this bus company has a "big load" of problems. Does HYF have no other problem? Is this its only problem? Actually, there may be other problems which cause the company's revenue to decline and its profit to become insufficient. The whole string of improvements mentioned by the Secretary for Transport a moment ago may precisely be the solutions. The company, then, should pursue these improvements in its effort to increase profit. If one buys a new boat, a pretty boat or a fast boat for use in one service, one of course should raise the fare for this service, should one not? Will one buy a fast boat for use in one service but pay for it with money from another service? In fact, one is already paying for it with money from another service. Will one now increase the payment? I feel that these are precisely the questions that need to be further studied by the Government and HYF.

Summing up, I would like to stress one point. It is that the present case reveals three things about poor handling by the parties involved. The first, as I continue to emphasize, is the problem of public consultation. The Government itself acknowledges that the outlying islands residents have no other choice. They can only take the ferry. Urban residents can take the mini bus if they do not like the MTR. They can take the taxi if they do not like the mini bus. They can take the bus if they do not like the taxi. If outlying islands residents do not take the HYF ferry, their alternative is to swim. The authorities failed to consult them, to give them an opportunity to make their views heard. This was a major mistake, since the matter involved the changing of certain definitions. Secondly, we must supervise HYF's services. How much has the Government done about supervision? A moment ago, the Secretary for Transport, too, cited many problems. Will the mitigation of these problems suffice to increase HYF's revenue? If the answer is yes, then the above-mentioned shortfall of \$1 million or so will not be a significant problem.

Lastly, I feel that the Government should expeditiously set up a working group with HYF to review the latter's operations. As Mr LEE Wing-tat asked a moment ago, should the company engage in real estate business or in ferry services? Thank you, Mr Deputy President.

Question on Mr Frederick FUNG's motion put.

Voice vote taken.

THE DEPUTY PRESIDENT said he thought the Noes had it.

MR LEE WING-TAT: Mr Deputy President, may I claim a division.

DEPUTY PRESIDENT: Council will proceed to a division. The division bell will ring for three minutes and the division will be held immediately afterwards.

DEPUTY PRESIDENT: Would Members please proceed to vote? I will check with Members before the results are displayed.

DEPUTY PRESIDENT: Do Members have any queries? If not, the results will be displayed.

Mr Martin LEE, Mr PANG Chun-hoi, Mr SZETO Wah, Mr Jimmy MCGREGOR, Mrs Elsie TU, Mr Albert CHAN, Mr CHEUNG Man-kwong, Rev FUNG Chi-wood, Mr Frederick FUNG, Mr Michael HO, Dr HUANG Chen-ya, Dr Conrad LAM, Mr LAU Chin-shek, Miss Emily LAU, Mr LEE Wing-tat, Mr MAN Sai-cheong, Mr James TO and Dr YEUNG Sum voted for the motion.

The Attorney General, The Financial Secretary, Mr Stephen CHEONG, Mrs Selina CHOW, Mr HUI Yin-fat, Mr NGAI Shiu-kit, Mr TAM Yiu-chung, Mr Andrew WONG, Mr LAU Wong-fat, Mr Edward HO, Mr Ronald ARCULLI, Mrs Peggy LAM, Mrs Miriam LAU, Mr LAU Wah-sum, Mr Peter WONG, Mr Moses CHENG, Mr Marvin CHEUNG, Mr Timothy HA, Mr Simon IP, Dr LAM Kui-chun, Mr Eric LI, Mr Fred LI, Mr Steven POON, Mr Henry TANG, Mr TIK Chi-yuen, Dr Samuel WONG, Dr Philip WONG, Mr Howard YOUNG, Mr WONG Wai-yin, Dr TANG Siu-tong, Miss Christine LOH and Mr Roger LUK voted against the motion.

THE DEPUTY PRESIDENT announced that there were 18 votes in favour of the motion and 32 votes against it. He therefore declared that the motion was negated.

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK moved the following motion:

"That the Labour Tribunal (Fees) (Amendment) Rules 1992, published as Legal Notice No. 312 of 1992 and laid on the table of the Legislative Council on 7 October 1992, be amended -

- (a) in rule 2(a) by repealing "25" and "30" and substituting "30" and "25" respectively;
- (b) in rule 2(b) by repealing "45" and "55" and substituting "55" and "45" respectively;
- (c) in rule 2(c) by repealing "45" and "55" and substituting "55" and "45" respectively;
- (d) in rule 2(d) by repealing "20" and "25" and substituting "25" and "20" respectively;
- (e) in rule 2(e) by repealing "10" and "12" and substituting "12" and "10" respectively;
- (f) in rule 2(f) by repealing "20" and "25" and substituting "25" and "20" respectively;
- (g) in rule 2(g) by repealing "15" and "16" and substituting "16" and "15" respectively;
- (h) in rule 2(h) by repealing "15" and "18" and substituting "18" and "15" respectively;
- (i) in rule 2(i) by repealing "in the discretion of the registrar" and "actual expenditure plus 20% being administrative charges" and substituting "actual expenditure plus 20% being administrative charges" and "in the discretion of the registrar" respectively."

MR LAU CHIN-SHEK (in Cantonese): Mr Deputy President, I rise to move the motion standing in my name in the Order Paper. The motion calls for the withdrawal of the Government's proposal to increase Labour Tribunal fees.

Three weeks ago, when it was moved in this Council to extend the time for scrutiny of the relevant amendments to the fee rules, I already made known my views concerning the Labour Tribunal. I also expressed the hope that the authorities would use the few remaining weeks to come up with some substantive and useful proposals. Last week, the ad hoc group had another discussion session with members of the Judiciary. The result, however, was a

rehashing by the Judiciary of its improvement proposal of nine months ago, which the Labour Department never accepted. I will go into this in details later on.

The Labour Tribunal was set up in 1973. Its first Presiding Officer, Mr Michael WONG, definitively characterized the Labour Tribunal as a body of "speed, inexpensiveness and simplicity." By "speed," he meant that every claim must be dealt with and concluded within 30 days from the date of its filing. Actually, that was why the Labour Tribunal had to be set up in 1973. As Presiding Officer Michael WONG explained, before 1973, an ordinary case, such as an employee's claim for unpaid wages against his employer, would have to be taken by the claimant to the District Court or, if the amount involved was \$10,000 or more, to the High Court. The solemn atmosphere of the courts would be rather daunting. Lawyers often would have to be engaged. Ordinary people, finding the law difficult to understand, would be very afraid to go to court. Despite the availability of legal aid, the claimant would still have to pay some money towards court costs in the end. The process would be time-consuming. The courts would have to hear wage claims among many other cases. They were short of staff. This was why the process would take so long. A claim usually would have to wait half a year before it could be heard. That was why it was necessary to set up the Labour Tribunal. Very clearly, it was undesirable for an employee to have to wait days and days for the court to hear his claim, as had been the case until the establishment of the Labour Tribunal. Not only would the long wait cause further hardship to the employee who had been unfairly treated and placed in straitened circumstances, but the prolonged unsettled state of the claim would deepen the rancour between the employee and his employer.

Some colleagues say that, whatever problems there may be with the efficiency of the Labour Tribunal, they should not be mixed with the issue of increase of fees. I feel that some explanation about this will be in order. The original expectation is that the Labour Tribunal will apply the principle of "speed, inexpensiveness and simplicity" to the adjudication of employees' monetary claims against their employers within the purview of the Employment Ordinance. The Labour Tribunal's present performance is far short of that expectation. Everybody acknowledges this to be the fact. In the words of Chief Justice Sir T L YANG, "it is far too wide of the mark". This is a qualitative deterioration that makes one question the meaning of the Labour Tribunal's continued existence. To raise service charges when services have fallen far short of expectation is like increasing the admittance fee to a swimming pool which is so dirty people that can wade but cannot swim in it. Does it make sense?

The improvement proposal that was recently presented by the Judiciary to the ad hoc group had in fact been put forth before, more than half a year ago. The proposal involves the transfer of Tribunal Officers from the Judiciary to the Labour Department, where they will then handle both investigation and mediation, thus avoiding the duplication of mediation Work. This, it is hoped,

will improve efficiency. However, there are many problems with the proposal. Firstly, a Tribunal Officer's principal job should be the investigation of employee claims and the preparation of detailed reports for use by Presiding Officers as the basis of adjudication. The Labour Department now annually handles more than 16 000 employee claims. About 22% of them have to be referred to the Labour Tribunal. In other words, 12 000 claims a year can be settled summarily. If Tribunal Officers are transferred to the Labour Department, this will change the present way of settling employee claims. All of the 16 000 claims a year will then have to be investigated prior to settlement. The Labour Department's workload will be greatly increased, and its manpower resources greatly strained. Claims that can be settled in simple ways will become more complex. Trying mediation first and conducting investigation only after mediation fails will also present a problem. The mediation process may enable an interested party to detect loopholes in the law. Mixing investigation and mediation will turn one person into both the investigator and the mediator, making him play conflicting roles. Actually, the fact that Tribunal Officers are often required to do mediation work is precisely one of the causes of the falling efficiency of the Labour Tribunal. Secondly, the powers conferred on the staff of the Labour Tribunal are not entirely the same as the powers conferred on the staff of the Labour Department. For instance, the Labour Tribunal has the power to subpoena witnesses for both the claimant and the respondent. Also, where either party refuses to testify at a hearing, the Labour Tribunal has the power to enter a judgment in favour of the other party. In contrast, the Labour Department does not have such powers. Therefore, simply transferring people from the Labour Tribunal to the Labour Department will not necessarily improve efficiency. Thirdly, the Labour Department has in fact never accepted the Labour Tribunal's proposal. This is yet another reason why the problems have been dragging on. I believe it would be futile even if another nine months were spent on attempting to find a solution. There is simply no light at the end of the tunnel as far as the eye can see. It appears that the annual backlog of several thousand cases will have to continue indefinitely.

Mr Deputy President, I would like to talk next about the question of bailiffs. In the vast majority of the cases, bailiffs are called in to enforce judgement because employers refuse to pay the judgement debt awarded by the Labour Tribunal against them while the Labour Tribunal and the Government stand back and do nothing. What the employee can do in such a case is to pay the cost of the bailiff. This cost ranges between \$1,500 and \$2,000, even though the Labour Tribunal's judgment may be a mere \$300 or \$500. Often, however, the employer's company does not even have a signboard, is one of several companies sharing one office, or is just an "empty shell." This makes a writ of *feri facias* hard to execute. As a result, the employee not only has gained nothing but will lose an additional \$1,500 to \$2,000. Some colleagues say that judgment is one thing and whether it is paid is another matter. However, I would like to emphasize that the Labour Tribunal performs a unique function, which is to adjudicate employee claims involving matters such as unpaid wages, wages in lieu of notice, severance pay, sick leave, paid vacation and so forth, matters where employees' rights are protected by law. Therefore, it is really

improper for the court or the Government not to be able to guarantee the enforcement of judgments. I repeat. The Government's duty is not only to adjudicate employee claims but also to enable the employee to receive the money after a judgment is entered in his favour. If this is not done, what is the point of the safeguards of the Employment Ordinance?

We suggest that the short-term solution should be to increase the manpower resources of the Labour Tribunal and add two court-rooms, thus shortening waiting time. As for the long-term solution, the Labour Tribunal and the Labour Department must sit down together to redefine their respective responsibilities and agree upon a co-ordinating mechanism. At the same time, the authorities should review the system of engaging bailiffs to enforce judgements. Firstly, the Government should take up the responsibility of helping employees to receive the money after judgments are entered in their favour. Secondly, it may be feasible to take criminal proceedings against employers who refuse to pay the judgments against them. For the time being, pending the solution of the various problems and pending the improvement of the efficiency of the Labour Tribunal, fees should not be raised.

Mr Deputy President, I hope that, when deciding how to vote, colleagues will give more thought to those employees who have to take their claims to the court. They do not do so casually. They take their claims to the Labour Tribunal only after the Labour Department has made several unsuccessful attempts at mediation. While waiting for their claims to be heard, they suffer physical and mental anguish and economic hardship. My motion is a protest against the Labour Tribunal, with which discontent has been building up over many years. I would like to arouse the authorities concerned from their stupor! I hope that colleagues will support my motion. If they do not, I believe that any improvement measure will again be put off indefinitely.

Mr Deputy President, with these remarks, I move the motion.

Question on the motion proposed.

MR RONALD ARCULLI: Mr Deputy President, the Honourable LAU Chin-shek's complaint seems to lie really in two particular areas. First, the length of time which it takes for the Labour Tribunal to resolve a dispute between an employer and an employee, and secondly, assuming the employee obtains judgment in his favour, the size of the judgment quite often is so small that the costs of enforcement exceed the size of the award. In those circumstances, he suggests that an employer who chooses not to pay the award would effectively be able to avoid the judgment.

I think to some extent one has to sympathize with the concerns that he has expressed on behalf of our workforce and indeed in terms of the size of the award and the costs of enforcement. Employees are not on their own on this particular score as you may appreciate, Mr Deputy President. Our entire

judicial system requires that anyone who obtains a judgment uses the services of a bailiff, at a certain cost, to enforce a judgment. So I think as far as the second point is concerned, this really is a matter of policy for the relevant departments in the Government to actually consider what, if anything, can be done to improve the enforceability of small awards.

As far as the first point is concerned, the Manpower Panel under my convenorship has in fact raised this issue with the Administration and, despite waiting some months, we still have not been able to be given the benefit of any improvement or suggestions from either the Judiciary or the Education and Manpower Branch as to methods of improving the waiting time for cases to be heard.

However, that being said, and despite the fact that there is a certain degree of understanding and frustration that Mr LAU might feel, I for one feel that the approach he has taken today in terms of, as it were, opposing any increase in the Labour Tribunal fees is really an approach which, I must say, I do not favour because I think we are not going to improve the situation of the workers even if the fees are not increased. Indeed, one might say that any requests for increase in manpower — and therefore the shortening of hearing time or indeed of the enforcement procedure of judgments — may even suffer more but for the fee increases.

So for those reasons, Mr Deputy President, whatever the sympathies and the rights and wrongs of this, I regret to say that we at the CRC cannot support Mr LAU's amendment.

MR TAM YIU-CHUNG (in Cantonese): Mr Deputy President, the Labour Tribunal (Fees) (Amendment) Rules 1992 does not bring about much material effects. But since a motion is moved to amend the Rules, I would also take this opportunity to reflect to this Council the opinions of the trade unions on the adjudication of labour disputes.

At present, the local labour dispute adjudication system is replete with problems and biased against the workers. It often takes four to six weeks to register a labour dispute case with the Labour Department before a date can be fixed to hold a conciliation meeting. However, the conciliation attempts are futile in many cases. When such meetings bring no settlement to the dispute, the case will then be referred to the Labour Tribunal and go through the registration process afresh. After two to three months, when the case is formally registered and testimony given, both parties have to wait until the presiding officer begins to hear their case and try to persuade both parties to settle their differences in no more than four weeks' time. If the persuasion or conciliation attempts are unsuccessful, another date for hearing is to be fixed until a judgement is delivered. The whole process usually takes nine to 10 months for a simple labour dispute case to obtain judgement at the Labour Tribunal if the Labour Department's efforts have borne no fruit.

The long-drawn-out process involved in fixing dates and hearings will only deal the already unfairly treated employee a heavier blow and make him suffer greater loss. Apart from sustaining heavy psychological pressure, he suffers financial losses because he has to take leave frequently to attend hearings. Moreover, if the employer does not pay the compensation awarded by the Labour Tribunal to the employee, the latter has to apply to the court for a judgement order. It will not only prolong the case, but also necessitate the employee's paying a considerable amount of administration fee in order to enforce the judgement. And the costs involved sometimes exceed the size of the due award.

Mr Deputy President, I wrote to the Convenor of the Manpower Panel on 7 January this year and proposed to raise this issue at the Panel meetings. At the Panel meeting on 10 March, officials from the Judiciary were invited to discuss the existing procedures of labour dispute settlement. They undertook to report the progress of the Department's work on the improvement of Labour Tribunal's operational efficiency whenever necessary. Later on, the Judiciary also undertook to study ways of improvement and would submit a report to the Panel. It was agreed by Members at the Panel meeting on 10 July that sufficient time be allowed for the Judiciary to prepare the report and that the issue be raised again in November. However, we have yet to receive the report. I hope that the procedural problems can have early improvement so that Members may not have to find ways to arouse the Government's attention.

Mr Deputy President, I hope that the Government will streamline the procedures of the Labour Tribunal and empower the presiding officers with greater judicial power if the original objective of setting up the Labour Tribunal is to be actualized, that is to resolve labour disputes in the spirit of "speed, inexpensiveness and simplicity" to protect the labour's rights.

Mr Deputy President, these are my remarks.

SECRETARY FOR EDUCATION AND MANPOWER: Mr Deputy President, the Labour Tribunal (Fees) (Amendment) Rules 1992, published as Legal Notice No. 312 of 1992 and laid on the table of this Council on 7 October, updated the fees to take account of inflation and to maintain relativity with other fees charged for similar services provided in other courts. The fees are calculated on the normal cost-recovery basis. The modest adjustments which came into effect on 1 October 1992 were based on the increase in the Government Consumption Expenditure Deflator since the last increase in March 1991. Several of the fees were, in fact, not increased at all on this occasion, but instead pegged to fees for similar services provided in other courts. Fees set in the form of percentages were also unchanged.

Mr LAU Chin-shek has criticized the Labour Tribunal for its lack of operational efficiency. I agree there is much room for improvement, but this is a separate issue which is being carefully examined by the Judiciary in

conjunction with the Administration. We have examined the possibility of changing the existing procedure by transferring the workload of inquiry or investigation from the Judiciary to the Labour Department but have concluded that this may in fact hamper the operational efficiency of the Labour Department's conciliation service which currently absorbs 75% of potential Labour Tribunal caseload. We are actively exploring other solutions, with particular reference to the need for early resolution of those cases which cannot be resolved through conciliation at the Labour Department and which have no other channel of resolution than the Labour Tribunal. One possibility is to introduce an additional channel of quasi-judicial arbitration at the Labour Department with the power to make legally binding awards. We are assessing, as a matter of urgency, the staffing, financial and legislative implications of this approach and we hope to work out concrete proposals for discussion for the Manpower Panel of this Council before the end of the year.

I also note the strong views expressed by Mr LAU, regarding the cost of the services rendered by bailiffs. I am advised that the role of the bailiff is to assist plaintiffs in civil proceedings in obtaining enforcement of judgements. This service is provided at cost as the general public should not have to meet any expenses incurred in a civil claim between two parties. I am advised also that the Registrar, Supreme Court does not have discretion to authorize a general exemption. Having said that, I have taken note of Mr LAU's strong views and will have them examined carefully together with the Judiciary.

Mr LAU's motion, if passed, would result in the present fee updating exercise, which has already come into effect on 1 October 1992, being reversed. We do not favour this course of action which, among other things, will necessitate sharper increases when fees are updated next time. In any case, the problems which Mr LAU is seeking to address are separate issues which are being actively addressed. For these reasons, the Administration cannot support the motion and the ex-officio Members will therefore vote against it.

MR LAU CHIN-SHEK (in Cantonese): Mr Deputy President, before the meeting the Secretary for Education and Manpower tried to lobby Members to oppose my motion. I do not mind his doing so, for I have also lobbied Members to support me. However, if you accept the proposal for the increase of fees simply because the Administration has promised to make improvements or there will be a sharper increase in the future if the increase is withdrawn, then you should not jump rashly to the conclusion of opposing my motion. Please listen to my following views:

The number of cases resolved by the Labour Tribunal has fallen far behind the original target. Indeed, labour organizations and workers have, over the years, repeatedly urged the authority concerned to make improvement. The situation has not improved but it continues to deteriorate. It is not known whether this is because the authority concerned has turned a deaf ear to the requests or whether it has some secrets which it does not want to reveal. The

Secretary for Education and Manpower may wish to tell us whether the situation has actually improved or deteriorated since our meeting with the authority concerned in March. As regards the proposals put forward by the Secretary for Education and Manpower today or the proposals contemplated by the Administration, I have already pointed out during my meeting with the government officials that they cannot help to shorten the hearing time or enhance the efficiency of the Labour Tribunal. I have also brought up this matter with Sir T L YANG, Chief Justice, and the Commissioner for Labour. Not only are the proposals unfeasible in principle, but they will also be rejected by the investigating officers or the staff concerned of the Labour Department. The so-called improvements are empty promises. Just now Mr ARCULLI said that he was worried that it would reduce income and bring more problems if my motion was passed. Nevertheless, we are told by the Administration that the amount involved is merely \$40,000.

I do not intend to repeat my arguments here. I hope you will pay a visit to the Labour Tribunal when you have time. Then you may hear workers awaiting the hearing of their cases air their grievances. Even if they have obtained judgement in their favour, they will have to pay \$1,000 to \$2,000 to the bailiff for their services. At the end of the day, they actually get nothing from the award. If you have no knowledge or no feelings about this matter, I hope you will abstain from voting on this occasion. Do not "let off" the Administration so easily. Thank you, Mr Deputy President.

Question on Mr LAU Chin-shek's motion put.

Voice vote taken.

THE DEPUTY PRESIDENT said he thought the Ayes had it.

MR RONALD ARCULLI: Mr Deputy President, I claim a division.

DEPUTY PRESIDENT: Council will proceed to a division. The division bell will ring for three minutes.

DEPUTY PRESIDENT: Would Members please proceed to vote?

DEPUTY PRESIDENT: We have 44 Members present, excluding myself; 42 have pushed the "Present" button. Do Members have any queries before the results are displayed? If not, the results will be displayed.

Mr Martin LEE, Mr PANG Chun-hoi, Mr SZETO Wah, Mr TAM Yiu-chung, Mr Jimmy MCGREGOR, Mrs Elsie TU, Mr Albert CHAN, Mr CHEUNG Man-kwong, Rev FUNG Chi-wood, Mr Frederick FUNG, Mr Michael HO, Dr HUANG Chen-ya, Dr Conrad LAM, Mr LAU Chin-shek, Miss Emily LAU, Mr LEE Wing-tat, Mr Fred LI, Mr MAN Sai-cheong, Mr TIK Chi-yuen, Mr James TO, Dr YEUNG Sum, Mr WONG Wai-yin and Dr TANG Siu-tong voted for the motion.

The Attorney General, The Financial Secretary, Mrs Selina CHOW, Mr NGAI Shiu-kit, Mr Andrew WONG, Mr Edward HO, Mr Ronald ARCULLI, Mrs Peggy LAM, Mrs Miriam LAU, Mr LAU Wah-sum, Mr Moses CHENG, Mr Marvin CHEUNG, Mr Simon IP, Dr LAM Kui-chun, Mr Eric LI, Dr Samuel WONG, Dr Philip WONG, Mr Howard YOUNG, Miss Christine LOH and Mr Roger LUK voted against the motion.

Mr Timothy HA abstained.

THE DEPUTY PRESIDENT announced that there were 23 votes in favour of the motion and 20 votes against it. He therefore declared that the motion was carried.

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR ALBERT CHAN moved the following motion:

"That the Port Control (Cargo Working Areas) (Amendment) Regulation 1992, published as Legal Notice No. 252 of 1992 and laid on the table of the Legislative Council on 7 October 1992, be amended in section 2 in item 1(a)(i) and (ii) of the Schedule by repealing "50" and substituting "39"."

MR ALBERT CHAN (in Cantonese): Mr Deputy President, I move that the Port Control (Cargo Working Areas) (Amendment) Regulation 1992 be amended as set out under my name on the Order Paper.

Mr Deputy President, the Government announced the Port Control (Cargo Working Areas) (Amendment) Regulation 1992 in July this year, seeking a hefty increase in the fees and charges of the public cargo working areas. Such fees and charges were last adjusted in 1989-1990 when the Government increased the fee per sector (each 8 m) of the berthing place from \$20 to \$26 per hour. However, this year, the Government proposes to increase the berthing fee for each 8 m from \$26 to \$50 (this is the hourly rate). The scale of increase is as high as 92% whereas the increases in goods vehicles charges and miscellaneous charges range from 30% to 60%. The Government

explains that the proposed hefty increase is: (1) to recover the cost and (2) a fee adjustment originally scheduled in 1991 has been postponed until now. But the Government's method of calculation of public cargo working areas charges and its explanations on the pace of fee adjustments are open to question in many aspects.

First, the calculation of the costs of the public cargo working areas. The Government thinks that the existing charges of the cargo working areas are set at a level far below the management costs of the area. At present, the Government includes operational expenses and land premium in the management costs. The level of land premium is determined on the basis of the rental value of a short-term tenancy land grant in respect of the land in the area together with the sea lane set aside for cargo handling purposes. In my opinion, although the operations of the cargo working areas are of a commercial nature, the cargo working areas have all along been made available for use in the form of public utilities. If the Government is going to include the land premium at market rate in its calculation of the public cargo working areas' management costs, some of the fees and charges are bound to go up dramatically. However, the question is whether the calculation is reasonable. Does it imply that the Government is going to take the land premium at market rate into account when calculating the management costs of all the public utilities?

Second, the Government increases the ratio of berthing fee to total cargo handling areas charges from 20% to 30%. At present, goods vehicle parking charges and vessel berthing fees account for 45% and 20% of the total charges respectively. The proposed increase by the Government will inflate the ratios of goods vehicle parking charges and vessel berthing fees to the total charges by 54% and 30% respectively. The scale of increase is also very substantial. Another big question is that the Government does not provide a reasonable explanation for the increase of the ratio of berthing fees to the total charges so abruptly. As such, the cargo shipping industry will find it difficult to adapt to the Government's successive adjustments and revisions of berthing fees. The increase of such a scale also has a great impact on the business of the barge operations.

Third, on the pace of fee adjustment by the Government. The Government makes such a hefty increase in various fees and charges of the public cargo working areas in a single fee adjustment exercise by 30% to 90%. The difference between the new and old berthing fees for barges will be more than \$129,000 per annum whereas that between the new and old working area ticket fees for goods vehicle will be \$72,000 per annum. When adding together, the total difference between the new and old charges for each berthing place and working area ticket will be as high as \$201,600 on average per annum. To have a hefty increase in various fees and charges within such a short time will seriously affect the business of the cargo shipping industry and the increase will finally be passed on to the consumers.

The fourth point concerns the Government's consultation with the Hong Kong Cargo-Vessel Traders' Association on the adjustment of cargo working area fees. It was claimed by the Government in its paper that the representatives of the Association had been informed of the proposed substantial increase in cargo working areas charges. In response, according to the Government, the Association did not oppose to it. However, when the proposal was announced by the Government, the Association complained that they had been informed that the fee increase this year would be no more than 20%, that is about 40% for two years. It is natural that the Association with its members' commercial interest in mind will not welcome an increase in cargo working areas charges by the Government. But we should consider whether the increase is reasonable and whether it would add to the costs of the commercial operations.

The above-mentioned points indicate that the Government is unable to give a clear explanation on the need to significantly drive up the public cargo working areas charges. Furthermore, it may have made a wrong assessment on the impact of the fee increase on the cargo shipping industry and may not have a thorough understanding of the situation. In view of the above-mentioned reasons, Mr Deputy President, I move that the Port Control (Cargo Working Areas) (Amendment) Regulation 1992 be amended in section 2 in item 1(a)(i) and (ii) of the Schedule by repealing "50" and substituting "39". The amendment aims at increasing the hourly fee for each 8 m of the berthing place from \$26 to \$39 which is lower than the proposed increase to \$50 by the Government or an increase of 92%.

Mr Deputy President, with these remarks, I move the above-mentioned amendment.

Question on the motion proposed.

MR RONALD ARCULLI: Mr Deputy President, I shall be very brief.

The issue before us today really is quite simple. The public cargo works area is actually used by commercial entities with a service provided by the Government. We are told by the Government — and I do not think this is in dispute — that before the 92% increase was brought into effect earlier this year the amount of loss to the public purse was some \$86 million. By increasing it by 92%, the loss remained at \$46 million. In other words, despite this rather, on the face of it, hefty increase taxpayers had to subsidize what appears to be a commercial operation. So the first point really is this: ought this Council discourage the Government in its attempt to recover the cost of service provided to commercial entities?

The second point really is that this increase, I understand, is to cover two years because, as we all remember, there was in fact a freeze in government charges last year. So if you annualize the 92% it comes to about just under 50% for each of the last two years.

The third point is that the association involved in this particular business made certain representations to the subcommittee that considered this particular matter under my chairmanship and we were told by the association, in quite clear terms, that they would be perfectly happy to accept a 50% increase, but not a 92% increase. But on the other hand, if you spread this out over the last two years, it would in fact be a 50% increase. Furthermore, as a fallback position, we were told by that particular association that if there were increases they could pass them on to their customers and what they were really concerned with was whether this would fuel inflation.

So, Mr Deputy President, as far as I am concerned, the position really is quite simple. Do we ask taxpayers to subsidize what appears to be a commercial service provided by the Government? For me, really, the answer is very simple. The answer is plainly no and the CRC takes that position and based on that the CRC does not support Mr CHAN's motion today.

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, the government policy with regard to fees charged for services of a commercial nature provided by the Marine Department is to recover the full cost of providing those services as soon as possible. These costs clearly must include the rental value of the land required in order to provide that service. In the case of public cargo working areas which compete for the handling of cargo with private wharf operators, there can be no justification for taxpayers to subsidize commercial users.

The Government's temporary moratorium on fee increases has, however, delayed our phased cost recovery programme for nearly two years. The increases published in Legal Notice No. 252 of 1992 and laid on the table of the Legislative Council on 7 October 1992 are a further and necessary step to recover costs. Even so, as Mr ARCULLI has already pointed out, there will still be an estimated deficit of \$46 million in 1992-93. In other words, we are not yet recovering costs.

The motion now before Members seeks to reduce the current level of berthing fees. This means that commercial cargo handling operations, which use Marine Department services, would continue to be subsidized by the taxpayer at a higher level and for a longer period than could be justified, whilst leaving those operations, which use private facilities to meet full costs. In such circumstances, the Government could be accused of unfairly undermining the viability of private commercial port operators who provide a similar service but who have to pay full land values and make a reasonable return on their investment.

Mr Deputy President, the Administration finds itself unable to support the motion as it cannot accept the underlying principle that taxpayers should be asked to prolong their subsidy to commercial profitable operations.

MR ALBERT CHAN (in Cantonese): Mr Deputy President, the reply given by the Secretary for Economic Services just now failed to address the questions raised by me. I should like to add three points as follows:

- (1) On the question of combating inflation, the Financial Secretary mentioned in his Budget that the Government was determined to combat inflation. But in view of the proposed rate of increase, it appears that there has been a lack of inter-departmental co-ordination within the Government. I doubt very much the determination within the Government to combat inflation. With the full knowledge that the increase will be passed on to consumers, why has the Government sought to introduce an increase as high as 92% over two years? This is unacceptable to me.
- (2) On basis of the Government's calculation for recovery of full costs, if the berthing fees for public cargo working areas could rise as high as 92% within two years, I believe the land value of Container Terminal No. 9 would certainly exceed \$10 billion calculated according to the \$4 billion land value of Container Terminal No. 7. I hope that the Secretary for Economic Services will employ the same principle in dealing with the land value of container terminals.
- (3) One cannot help wondering if there are ulterior motives on the part of the Government in imposing such a high rate of increase for fees charged for service at public cargo working areas over such a short period of time. The Government's purpose is to raise as high as possible fees charged at these cargo working areas, thus forcing up the costs of operators in these areas and narrowing the charge gap between these operators and those of container terminals. As we all know, the present rate charged by operators at public container handling areas are generally 50% of those charged by operators of container terminals. Under these circumstances, the Government's purpose of forcing an increase of fees on the operators is unacceptable. I hope Members will support my motion to amend the regulation having regard to the points made above. Thank you, Mr Deputy President.

Question on Mr Albert CHAN's motion put and negatived

EXTERNAL TRANSPORT NETWORK OF NORTHWEST NEW TERRITORIES

MR WONG WAI-YIN moved the following motion:

"That in order to improve the external transport network of Northwest New Territories, this Council urges the Government to promptly adopt effective measures including:

- (a) expediting the construction of Route 3 (country park section);
- (b) promptly fulfilling the task of building a mass transit railway system to connect Northwest New Territories with the urban areas;
- (c) implementing the full-scale widening of Castle Peak Road (Tuen Mun to Tsuen Wan Section);
- (d) increasing the frequency of ferry services between Tuen Mun and the urban areas;
and
- (e) easing the current traffic congestion along Tuen Mun Road.

MR WONG WAI-YIN (in Cantonese): Mr Deputy President, I rise to move the motion standing in my name in the Order Paper, which is in the following terms: "That in order to improve the external transport network of Northwest New Territories, this Council urges the Government to promptly adopt effective measures including: (a) expediting the construction of Route 3 (country park section); (b) promptly fulfilling the task of building a mass transit railway system to connect Northwest New Territories with the urban areas; (c) implementing the full-scale widening of Castle Peak Road (Tuen Mun to Tsuen Wan Section); (d) increasing the frequency of ferry services between Tuen Mun and the urban areas; and (e) easing the current traffic congestion along Tuen Mun Road."

Mr Deputy President, I have a tough problem: How can I, within the short span of 15 minutes, voice the heart-felt discontent of the more than 600 000 residents of Yuen Long and Tuen Mun who are unhappy with the transport situation? During the debate on the Governor's policy address, I criticized the Governor for failing to take a proper look at Hong Kong's transport problems, specifically for completely failing to understand the serious problem of traffic congestion of the northwest New Territories. At several local consultation meetings that I sponsored, the residents expressed strong discontent with the traffic congestion problem.

Tuen Mun Highway, upon which the residents of Tuen Mun and Yuen Long solely rely for travelling to and from the urban areas, is now congested practically every day. During the past two weeks, as if in anticipation of this motion of mine, there occurred a succession of serious traffic accidents. On

each of these occasions, the entire length of the highway was paralysed for several hours. Yesterday, the highway was paralysed twice. Indeed, "there is congestion in the morning; there is congestion in the evening; and no end of congestion is in sight!" The government statistics show more than 200 traffic accidents on Tuen Mun Highway in each of the past few years. The accident rate is almost one occurrence per day. This indeed is alarming. As the population of Tin Shui Wai increases, and as the volume of freight transport between China and Hong Kong continues to rise, the congestion along Tuen Mun Highway is expected to get even worse.

Over the past few years, Meeting Point, other groups and organizations of district board members have used many channels and done many things to convey the seriousness of the problem to the Government and to offer suggestions on how the problem might be mitigated. They launched signature campaigns, organized demonstrations and petitions, petitioned the OMELCO, met officials of the Transport Branch by appointment and delivered petition letters to Government House. Regrettably, however, the Government kept saying that the "matter is under consideration". This was a delaying tactic. The problem has remained as bad as ever. This is why I have no choice but to introduce a motion debate to cause the problem to be discussed by the Legislative Council and to compel the Government to make a promise, to commit itself to taking a proper look at the problem of traffic congestion, to improving the relevant facilities and services and to taking actual steps for carrying out the construction projects which will solve the problem.

We took additional actions during the past two weeks. We launched signature campaigns in Tuen Mun and Yuen Long. We asked members of the district boards of Tuen Mun and Yuen Long to sign a joint petition letter. Within this short period, we were able to obtain the signatures of 12 000 citizens and nearly 30 district board members. In addition, we met with some transport groups including the Association of Owners of Container Lorries and Hong Kong and Yaumati Ferry Company (HYF) as well as government bodies including the Highways Department and the Transport Department. However, we still failed to win specific commitments to development. I hope that the Secretary for Transport, in his subsequent response, will have good news for us.

I will put forth Meeting Point's comprehensive improvement package of proposals bearing on today's motion. Other Councillors from Meeting Point will be speaking in details about the specific problems. The Honourable LEONG Che-hung will be talking about overall dovetailing of the major infrastructure projects with transport requirements. The Honourable Fred LI will be talking about the relationship between traffic and the economic activity of freight transport. The Honourable TIK Chi-yuen will be talking about problems plaguing new town residents and problems caused by container lorries.

Mr Deputy President, in order to solve the external transport problems of the northwest New Territories comprehensively, Meeting Point are putting forth an integrated improvement package that covers sea transport, land transport and railway transport. The package has three objectives and contains five recommendations.

The three objectives are:

- (1) solving the problem of traffic congestion of the northwest New Territories;
- (2) coping with the new airport and the westward shift of the port; and
- (3) easing the pressure due to the fast rising volume of freight transport between China and Hong Kong.

For assessing the future transport needs of the northwest New Territories, some criteria must be recognized in addition to those specified in the Government's 1990 white paper on Hong Kong's transport policy.

Firstly, the development of transport must not fall behind population growth and local development.

Transport is a basic prerequisite of, and a priority consideration in, local development and town development. Consequently, transport planning must at least keep pace with local development planning. In the past, however, transport planning, though it began in synchronous steps, often fell behind new town planning. As problems arose in the wake of population growth or for other causes, the needs for additional transport or for changes in transport services could not be met.

Secondly, transport problems must not be regarded as mere local problems. They must be regarded also as problems affecting the whole of Hong Kong and having a bearing on the economy.

Not only does transport cater to the needs of individuals and communities, but it also has an important bearing on Hong Kong's overall economy. Transport is also needed on an inter-community basis. Accordingly, when considering the funding for transport projects, one should extend one's horizon. One should not fund transport projects as if they were local development projects.

Thirdly, trunk routes and local road systems are interdependent and neither can be dispensed with.

Trunk routes and trunk-line transport services play different roles from those played by local roads and local transport services. But their different roles are also mutually supportive roles. Problems with one will have harmful

effects on the other. Consequently, the improvement of neither can be neglected. Local roads and local transport services often provide connections to, and are a back-up for, trunk routes. In this regard, are the needs being taken care of appropriately in an even-handed manner? This question deserves the attention of all!

Fourthly, there must be circular road and railway systems, and alternative "second choices".

Accidents, natural disasters and repairs of damage due to normal wear and tear make it necessary to consider and plan alternative "second choice" roads and railways. Consequently, in planning road networks, one must not think in terms of building one road now, waiting for the volume of traffic to reach the saturation point and then expanding this road. Similarly, in planning transport services (especially public transport services), one must plan back-up emergency capabilities. Expanding on this idea, an alternative or "second choice" has the implication of a circular system of some kind.

Fifthly, prime consideration must be given to the provision of logistical and depot facilities for transport.

Hong Kong's external passenger and freight transport is poised to undergo a regional or pivotal shift. The change is bound to affect traffic conditions in various parts of Hong Kong. This fact has perhaps already been taken into consideration. But what factors should be considered? What criteria should be used? These are matters on which the public should be consulted with a more open mind. For example, container lorries travel between China and Hong Kong. The container lorries not only add to the volume of "traffic flow" through the new towns but also enter the new towns to obtain supplies and to find parking spaces for tractors and containers. Thus, they cause problems that go beyond "traffic flow" problems; they create an additional burden not only along the routes but also in the local communities. Therefore, the authorities should set up lorry areas and lorry depots, where lorries may park and obtain supplies.

As for the five recommendations for improvement, I have already written them into the motion. They may be divided into short-term and long-term measures for mitigating the transport problem. The following are the short-term measures:

1. Increase the frequency of ferry services between Tuen Mun and the urban areas

The population of Tin Shui Wai is rising steadily. More container lorries are using Tuen Mun Highway. Traffic congestion is serious. Accidents are frequent. In the minds of the residents of the northwest New Territories, Tuen Mun Highway is no longer a reliable highway. So they go to the Tuen Mun Pier to use the ferry services instead. Regrettably, HYF has failed to take active

steps for improving and developing the services. Ferry departures are few and far between. The use of very old ferries affects the quality of the services. Every morning, there is a very long queue at the Tuen Mun Pier. Therefore, Meeting Point suggest that HYF must introduce new services and new hovercraft and increase the frequency of ferry departures. If need be, the Government should admit other companies to provide services on the basis of fair competition.

2. *Ease the current traffic congestion along Tuen Mun Highway*

In Tuen Mun and Yuen Long, people are often heard to say, "There is a minor congestion every day. There is a major congestion every three days." Before getting on the car or bus, residents have to be psychologically prepared. If they are lucky, there will be no accident that day and no problem. If there is a traffic congestion, they may as well take a long nap on the road, because the congestion will last for a few hours! Some residents get up very early to go to work. They would rather arrive at the urban areas early than take naps on Tuen Mun Highway. Some say angrily, "It is better to live in "bird-cage" housing in the urban areas than to live in public housing in the New Territories." This shows how unhappy the residents are with the traffic congestion. Therefore, Meeting Point recommend:

- (i) that the efficiency of maintenance work on Tuen Mun Highway be improved and there be better co-ordination among repair crews to prevent unnecessary congestion.
- (ii) that the police be provided with more manpower and more heavy lift-trucks so that traffic accidents may be dealt with promptly.
- (iii) that weighing stations and electronic warning signs be provided. The former will catch over-laden lorries before serious accidents occur. The latter will inform motorists when there is traffic congestion ahead so that they may switch to a different route. Actually, the Government has already promised to provide both. Regrettably, it is dragging its feet in keeping the promise.

3. *Implement the full-scale widening of Castle Peak Road (Tuen Mun to Tsuen Wan Section)*

When there is traffic congestion on Tuen Mun Highway, some motorists will switch to using Castle Peak Road. There are only two traffic lanes along Castle Peak Road. The road is narrow and winding. This easily causes traffic congestion. The road will be almost paralysed if a large number of container lorries happen to use it at the same time. Therefore, there is indeed a pressing need to implement the full-scale widening of the Tuen Mun to Tsuen Wan Section of Castle Peak Road. After this is done, if there is a serious traffic accident on Tuen Mun Highway, motorists will have an alternative.

Mr Deputy President, for the complete solution of this traffic congestion problem, this dead knot, longer-term construction will also be needed, including:

4. *Expediting the construction of Route 3 (country park section)*

At one consultation meeting, more than 100 public housing residents were present. They said that, unless the problem of congestion along Tuen Mun Highway was mitigated and unless the construction of Route 3 was expedited, they would ask me to apply to the Housing Department to have them relocated collectively, away from Yuen Long. They really could not bear to spend four or five hours each day on the road. Therefore, the construction of Route 3 cannot brook one moment's delay. I have heard that the Government, pleading insufficient resources, will let private groups fund this project. However, I would like to remind the Government that, when the time comes, the toll rates must be reasonable and affordable to the residents of the northwest New Territories. Otherwise, nobody will use the road after it is completed. It will then be a waste.

5. *Promptly fulfilling the task of building a mass transit railway system to connect the northwest New Territories with the urban areas*

Following demographic changes, the population of the northwest New Territories will rise to about one million in the next few years, half of them in Tuen Mun and the other half in Yuen Long. With such a huge population pressure and with the fast rise in the volume of freight transport between China and Hong Kong, a railway system will be the only viable option. In line with the "second choice" principle and in consideration of the future airport, port and container terminals, a railway system from the south of the New Territories via a Tai Mo Shan tunnel and via Lok Ma Chau to Shenzhen deserves to be recommended. At the same time, for improving the inter-community transport network of the northwest New Territories, there should be a railway from Yuen Long that connects to the above-mentioned second China-Hong Kong railway at Kam Tin. Tuen Mun, too, should have a railway that connects to the urban areas and that will be supportive of the development of Tsing Lung Tau, Sham Tseng and Tsuen Wan West. In view of the above considerations, Meeting Point think that this railway network (which can also be called the circular railway system of Yuen Long, Tuen Mun and Tsuen Wan) should be considered as one system and not two. Construction should begin without further down-sizing or further delay. Otherwise, the adverse impacts will be wide-ranging and serious.

Mr Deputy President, a neighbour of mine asked me to tell you one thing, because he believed you would then realize how he felt. He said that every time before he got on a bus, he did not dare drink any water. He was afraid that, if he should run into a major traffic congestion, he would be unable to go to the latrine while on the road. He suggested that latrines should be installed along Tuen Mun Highway for use by people during a traffic congestion. Mr Deputy President, you are more fortunate than he is. When you feel the urge, you can

declare the meeting suspended. How would you feel if you must wait for the meeting to end before you could go to the bathroom?

Mr Deputy President, with these remarks, I move the motion.

Question on the motion proposed.

DEPUTY PRESIDENT: I would just remind Members that the seven-minute rule applies to this debate.

MRS SELINA CHOW (in Cantonese): Mr Deputy President, yesterday, on instructions from the Security Panel, I attended a regular meeting of the Fight Crime Committee of Yuen Long. In fact, it was a very difficult decision to make as to whom the Panel should choose as its representative for the meeting because among the 10-odd members of the Panel, nobody was willing to go to Yuen Long, the reason being that it was too far away, and the traffic was too congested, making it impossible to calculate the time required for going there. Finally, I "took it upon myself" to offer to attend the meeting, which immediately won me a rare applause from my colleagues. On the day of the meeting, in order to arrive punctually, I deliberately chose a longer route of 56 km by taking the Eastern Harbour Crossing and the Tate's Cairn Circular Road, as compared to a shorter route of 30 km, which is to take the Cross Harbour Tunnel, go through Tsuen Wan, West Kowloon, and then take the Tuen Mun Highway. It took me 50 minutes to arrive at my destination, and when I arrived, I met Mr WONG Wai-yin who had chosen to go there by sea and then by road. Our starting point and destination were the same, but it had taken him one and a half hours. He praised me for taking the right route, because when he was on the ferry, he saw that the vehicles on the Tuen Mun Highway had formed a very long queue and were moving very slowly. If I had chosen to take the Tuen Mun Highway, it would have been difficult to guess when I could arrive.

In fact, I once joined the members of the Transport Panel on an inspection tour of the transport situation of the northwest New Territories. I have therefore some understanding of the problem. Now the seriousness of the problem has once again been proved. Why is it so? Having been a member of the Public Works Sub-committee under the Finance Committee for many years, I am overwhelmed with admiration for the official who coined the very ingenious term "slippage" the Chinese translation of which is "順褪" or "打倒褪". "Slippage" has the "substance" but not the "blameworthiness" of delay, implying that a delay in the completion of works project is all natural and nobody is to blame. This little word has in fact reflected the mentality of the government officials who want to make use of the word to get the Administration off whatever responsibility and accountability for the delays of the projects. I suggest that the Administration should from now on ban the use of the word "slippage" or its Chinese translation "順褪". Also, schedules should be set when

considering works projects and a completion date must be clearly set once a project is decided to commence. In case of delay, an explanation should be made to the public. The Administration should have a mechanism to monitor the progress of works projects, just like the monitoring by the Director of Audit of the Administration's efficient and correct use of public money. Also, the Administration should be subject to criticisms whenever errors are made.

Mr Deputy President, I support today's motion. The transport problem in the northwest New Territories is really very pressing. I hope that the Administration will pay proper attention to the problem and never let its long-standing, over-conservative, bureaucratic and "an-intention-is-never-late" mentality cause it to further procrastinate. And it should not use financial constraint as an excuse.

In fact, some transport infrastructural projects have been successfully undertaken by the private sector in recent years. In view of the urgent need for roads and railways in the northwest New Territories, the Administration should give the most active consideration to the participation of the private sector. This idea is particularly applicable to the construction of Route 3. I firmly believe that subject to the charges being reasonable, most drivers will support the private sector's tender for the construction of Route 3 in order that it can be completed as soon as possible to relieve the northwest New Territories of this very severe transport problem.

MR LAU WONG-FAT (in Cantonese): Mr Deputy President, the problem of congestion of external traffic of the northwest New Territories is a frequently discussed subject in this Council. Over the last several years, many of my colleagues in this Council and I myself have repeated time and again the urgency and seriousness of this problem during debates or question time. We have been calling upon the Government to introduce as soon as possible specific improvements to this problem. Despite the untiring efforts of the Tuen Mun and Yuen Long District Boards, local rural bodies and pressure groups in vigorously arguing for the case, the Government has yet to make a positive response.

Several years have passed and the congestion of external traffic of northwest New Territories is deteriorating by the day. However, the construction of the rail link between Tuen Mun and Tsuen Wan and the Route 3 (Country Park Section) still remains at the drawing board stage, with no definite date of commencement. The poor design of the Tuen Mun Highway, aggravated by the heavy traffic flow, has led to frequent traffic accidents. Misfortunes never come singly. A serious traffic accident happened on Tuen Mun Highway during the evening rush hours last week. As a result, the external traffic of northwest New Territories was paralysed for some five hours and commuters travelling on the highway suffered from the congestion; they suffered yet again when another two accidents happened, one yesterday and the other this morning.

Recently, the authority concerned revealed that larger and faster ferries would be commissioned for service between Tuen Mun and the urban area next year. While this is a welcome measure that could only temporarily mitigate the congestion of the Tuen Mun Highway, it is also apparent that it is only an interim rather than a long-term radical problem-solving measure. Indeed as I pointed out in the policy debate last month, the rapid expansion of population in the northwest New Territories, the getting under way of some very large-scale infrastructural projects in the region and the dramatic growth in China-Hong Kong passenger and cargo throughput would certainly intensify the problem of traffic congestion in the region. The construction of an external rail link and the Route 3 (Country Park Section) can brook no further delay. It is because even if the Government decided to go ahead with these projects now, the residents would have to continue to suffer from the increasing deterioration of the traffic condition during the next few years as construction does take time. However, should the Government continue to hesitate and prevaricate over this matter, residents of the northwest New Territories might never see the end to their present misery.

From the macro point of view, the construction of the rail link and the new Route 3 will benefit not only residents of the northwest New Territories, but also the overall development of Hong Kong. The considerable benefits for Hong Kong brought about by the heavy rail link, expressways and tunnels to the northeast New Territories should serve as a good example. Therefore, any delay in improving the external traffic and transport system of the northwest New Territories will lead to substantial loss to the economy of Hong Kong, not to mention the lowering of the quality of life of the residents in the region.

As we all know, our two colleagues from New Territories West, Dr TANG Siu-tong and Mr WONG Wai-yin, have a very keen interest in the traffic problems of the northwest New Territories. I expect to strengthen my co-operation with these two very energetic young men in the years to come, as I would with the other Members of this Council, to press the Government to discharge the responsibilities which are rightly its. I am in full support of the spirit of Mr WONG Wai-yin's motion. But for practical considerations, I do not cherish any high hope that the Government will undertake to immediately introduce a series of improvement measures.

Relatively speaking, Mr Deputy President, the building of an external mass transit railway system should be welcome news to residents of the northwest New Territories. But if the rail link were the "bear's paw", then the Route 3 (Country Park Section) would be the "fish". Balancing the scale of development in Yuen Long and Tuen Mun against the westward shift of the overall development of Hong Kong, both the "bear's paw" and the "fish" would indeed need to be had. However, taking into account the realistic question of allocation of resources, if a decision cannot possibly be made shortly for the external rail link because of its expensive costs, I think the Government should at least commence as soon as possible the building of Route 3 (Country Park

Section) and, as a co-ordinated measure, widen Castle Peak Road. The rail link, after all, will need to be constructed eventually.

With these remarks, Mr Deputy President, I support the motion.

MR EDWARD HO: Mr Deputy President, in looking back at the many speeches I have made in this Council over the years, one subject that has preoccupied my mind was the subject of providing adequate infrastructure to the New Territories to enable the vast potential of buildable land in the New Territories to be realized. A key element in infrastructure is transport network. It can be said that without transport network, a piece of land is not really developable.

As early as my very first speech in this Council in 1987, I mentioned the problems of people living in the new towns if implementation of various facilities has not been co-ordinated. I said that "We have to bear in mind that the aim of moving people into the new towns is to give them a better living environment, not to punish them, nor to banish them to a wilderness waiting for them to exploit." In the same speech, I have said that our planners have enjoyed considerable success in masterplanning new towns so that they are self-contained communities with the right mix of residential, work places, educational and recreations facilities. Our many new towns bear witness to that.

In dispersing our population into new towns in the New Territories, planners must also have in mind not only that residents in the new towns would be able to move about locally within the town limit, but also that they would be able to move about efficiently between these new towns and the urban areas. This sort of transport link must have been in the Government's strategic plan. When I criticized the Government for not having a comprehensive strategic plan in the policy debate on 21 October, I perhaps did not put my point across clearly. Today's debate provides me with the opportunity to respond to the Secretary for Planning, Environment and Lands who, I believe, referred to my speech during the policy debate. I do realize that the territorial development strategy existed. As the Secretary for Planning, Environment and Lands said, it was first formulated in the 1980s and my criticism is that it has not been implemented comprehensively and strategically. For what good is the strategy if only part of it is implemented and some of the most vital elements, transport link being one, were not implemented in a timely and co-ordinated fashion? We should not blame it on the planners. It is, I am afraid, a case of financial planning dictating physical planning.

Anyone who drives along the Yuen Long, Tuen Mun and Tsuen Wan corridor will realize how acute the traffic congestion is. It has provided extreme inconvenience to those people who live and work in the northwest part of the New Territories. Besides inconvenience, the opportunity costs for time wasted on the road for both people and goods are enormous. The transport problem for New Territories Northeast has long been identified. I have highlighted this problem in most of my policy debate speeches in this Council in

the last five years. The problem will get much worse as more people move into the Tin Shui Wai area, and as traffic of goods vehicles continues to increase on this vital corridor.

I support the various proposals put forward by Mr Zachary WONG in his motion. Some of these proposals are easier to implement — take, for example, increasing the frequency of ferry services between Tuen Mun and the urban areas. Other proposals require more major commitment on the part of the Government, such as the construction of the country park section of Route 3 and the building of a mass transit railway system. But even if the latter two proposals require major commitments, the Government should not delay any further concrete proposals on how they can be implemented as quickly as possible.

I understand that the Government is studying the feasibility of privatizing the construction of the part of Route 3. Provided that the tolls would be reasonable, I believe that this should be supported. The construction of the Tate's Cairn Tunnel proved that it was feasible for such work to be done in that way. In order to improve the attractiveness of privatization of both Route 3 and a mass transit railway system, it may be necessary for the Government to grant air right developments, which comes to my next point.

Delays in building infrastructure has always been caused by limitation of fund. On the other hand, revenue can be generated through payment of premium due to land exchange and new grant of land but change of land and new grant of land are often not possible due to a lack of infrastructure. It is a vicious circle resulting in both lack of infrastructure and development potential being restricted.

Although today's motion is not on the external transport network of the northeast New Territories, I should mention that the problems encountered in the northwest New Territories have created problems in northeast New Territories in that we see a vast amount of large goods vehicles using Tolo Highway to avoid traffic congestion in northwest New Territories. We are now advised that the capacity of Tolo Highway is reaching capacity in a few years time and this has placed a constraint on further development of land in the northeast New Territories. In other words, we are coming close to a situation where development in both the northeast and northwest of the New Territories to be totally constrained.

The planning and building of major trunk roads and rail system will take many years to accomplish. I therefore urge that the Government should put into immediate plan to build the country park section of Route 3 and other measures that would improve the transport network serving that part of the territory and at the same time consider how the northeast New Territories could be served before that part is also totally constrained.

With these remarks, Mr Deputy President, I support the motion.

MRS MIRIAM LAU (in Cantonese): Mr Deputy President, over the past 10-odd years, the Government has spent a lot of effort to develop new towns, the purpose being to meet the needs that came in the wake of steady increases in Hong Kong's population. In April this year, during the Legislative Council debate on transport services in the new towns, the Secretary for Transport said, "It remains our major planning objective to provide for the balanced development of new towns, with the provision of adequate infrastructure, including efficient road networks and good public transport services." In the past few years, the people of the northwest New Territories have been plagued with transport problems. Tuen Mun Highway was always seriously congested. The ferry services were inadequate. Other transport services to and from the area were also insufficient. Complaints were widespread among the local people. Now that such problems have surfaced, I wonder if the Government will own up to its planning mistakes about the new towns of Tuen Mun and Yuen Long, mistakes that have prevented its goal from being met. The fact is quite clear. When developing Tuen Mun and Yuen Long, the Government did not carefully consider the external transport needs of the northwest New Territories. The Government at the time had thoughts only for the construction of the Light Rail Transit (LRT) system. And it projected a population explosion in the area and also expected the majority of the residents to be employed locally. So it thought that the ferry services and the two main roads, Tuen Mun Highway and Castle Peak Road, could cope with the external transport needs of the residents. The fact is that the Government's projection was wrong. Tuen Mun and Yuen Long now have a combined population of nearly 600 000. Only about 10% of them can find employment in their neighbourhood. The rest of the working population have to go to work every day in Hong Kong, Kowloon or elsewhere in the New Territories. The residents' need for external transport services is only too obvious. Also, the volume of traffic between China and Hong Kong has risen dramatically. The volume of cross-border traffic at Lok Ma Chau alone increased by 200% from 1990 to 1991 and by another 100% from 1991 to 1992. Tuen Mun Highway is really being over-burdened. By 1997, with Tin Shui Wai fully inhabited, the population of the northwest New Territories will have exceeded 700 000. The traffic situation is bound to get worse.

The 1989 comprehensive study on transport recommended that the Government should build Route 3 including a country park section from Ting Kau to Yuen Long. However, it was anticipated at the time that the West Kowloon Expressway section of Route 3 would not be completed until the late 1990s. Accordingly, the country park section was scheduled to be completed towards the end of the 1990s. Still, the study pointed out clearly that the construction of the country park section of Route 3 would not only serve to ease the present traffic congestion of the northwest New Territories but also be quite important for the future development of the area. It would be more cost-effective. The study additionally recommended that the Government begin in the early 1990s to build a railway connecting the northwest New Territories with the urban areas to keep up with local development. In the 1990 white paper on Hong Kong's transport policy, the Government made public its

decision to move forward the completion date of the section between the Western Crossing and Ting Kau of Route 3 to 1997 and expressed the hope that country park section of Route 3 would be completed in the mid-1990s. The white paper also showed the Government's acceptance of the recommendation of the second comprehensive study on transport, that the railway between the northwest New Territories and the urban areas should be developed in the early 1990s. It has been three years since the publication of the white paper. Not only has nothing been actually done about the two projects mentioned above, but the Government has been dragging its feet again and again, with the excuse that the matter must be further evaluated and further studied. This is indeed disappointing. Many studies have been made already. The facts have shown clearly how important and urgent the two projects are. The Government has also accepted the study's findings. I think that the Government should now stop wasting time on further evaluations and further studies because this only will reinforce people's belief that the Government is dragging its feet. The Government should make a quick decision to go ahead and lay down a timetable for actual work on the two projects. Even if the Government gives the go-ahead now, the two projects will take a long time to complete. Meanwhile, the Government must take effective steps for easing, to the largest possible extent, the extremely bad transport problems of the northwest New Territories. In this connection, I am very happy to learn that the Government has a plan to introduce new ferry services between Tuen Mun and the urban areas, services which will use fast vessels with large passenger capacities. I believe that this plan will be welcomed by the people of the northwest New Territories. Though the improved ferry services still will not fully satisfy the residents' external transport need, they certainly will ameliorate the situation where vehicles packed bumper to bumper in an endless queue are often found at the Tuen Mun Pier during rush hours. I hope that the Government will implement this plan expeditiously.

In August this year, the OMELCO's Transport Panel went to the northwest New Territories to look at the traffic situation on site and to acquire a firsthand experience the plight of the local people. The Panel came up with an opinion that it would be necessary to ease the area's traffic congestion as soon as possible. The group also urged the authorities to expedite the construction of the country park section of Route 3. The Transport Department at the time told the Panel that it in fact did have a set of short-term traffic mitigation measures including widening Castle Peak Road from 7.3 metres to 10.3 metres to provide three traffic lanes instead the present two; widening Tuen Mun Highway at three uphill sections to increase the traffic flow; setting up weighing stations at Tuen Mun to catch over-laden lorries; and installing light signals to show traffic conditions along Tuen Mun Highway. I think that all these measures are realistic and feasible. Though they will not completely solve the problems, they will more or less relieve the situation. I hope that the Transport Department will stop using further studies and further evaluations as a delaying tactic but act as soon as possible to implement the measures.

Mr Deputy President, with these remarks, I support the motion.

DR LEONG CHE-HUNG (in Cantonese): Mr Deputy President, last Friday, that is, 20 November, late at night, many residents of Tuen Mun and Yuen Long were on their way home after a day's hard work. When they were passing through the Sham Tseng section of Tuen Mun Highway, they saw not only the customary mid-night traffic jam but also more than 10 people standing on the road. Perhaps they were wondering: Why were these people, who did not look like a road repair crew, standing there, braving the gusty wind?

The truth was that these 10 plus people were my colleagues WONG Wai-yin, TIK Chi-yuen, three District Board members of Meeting Point and members of Meeting Point's group on traffic problems. They were checking to see if a new traffic measure (which was the result of discussions between Meeting Point and the Highways Department) was really practical. This traffic measure involved the delaying of the closure of the centre lane of the road and the attempt to close the road without stopping all traffic. They were also watching "road restoration" in action. This refers to a way of prolonging the "life" of the road surface and reducing the need for frequent road repairs.

I am not using this occasion to advertise my colleagues. But we know that, in order to improve traffic conditions, it is not enough just to build more roads. What is also necessary is to make the best, the most effective use of available resources. We are willing to adopt a rational attitude to learn and understand the problems. We are even willing to study feasible solutions with others. But then we wish to ask the Government if, for its part, it is willing to find out how the people feel and implement the various projects. The Government should at least set a timetable and finish its assignments on time and not, in the words used by Mrs CHOW a moment ago, to carry out plans with "slippage."

Very regrettably, some government officials are still making sarcastic remarks. They ask: Since so many people in the New Territories have to go to work in the urban areas and vice versa, why do they not move to live where they work?

Mr Deputy President, these sarcastic remarks are very chilling indeed. They really chill one's heart. In the final analysis, the messy transport problems of the New Territories today are the result of the planning mistakes made during the planning of the satellite town of Tuen Mun. The satellite town employment opportunities were over-estimated. No precise provision was made at all for the serious problem that would arise if the satellite town failed to provide enough employment, thus making it necessary for people to travel to and from the urban areas over long distances in order to earn their living. The problem is getting very serious now which merits our urgent attention. Furthermore, the large infrastructure projects that are going to be built, particularly the new airport, the relocation of the port westward, the new container terminals at Tsing Yi and Lantau Island and the river port at Tuen Mun, will all put heavy pressure on the part of the New Territories stretching from Tsuen Wan and Kwai Tsing to Tai Po, Yuen Long and Tuen Mun, as the

New Territories become the pivot of passenger and cargo transport, especially in the case of the cross-border land traffic between China and Hong Kong.

Meeting Point are of the opinion that the planning of matching secondary projects for the large infrastructure projects, particularly matching transport projects serving to link different communities together, must not be belittled. It will not do to think solely of the road link from the Central Government Offices or from the Government House to the new airport, while disregarding the transport problems of the residents of Tuen Mun and Yuen Long. We think that resources must be distributed evenly between the large infrastructure projects and the projects that meet local community needs. It will not do to place all the bets on the new airport project while leaving the new towns to survive or perish on their own.

Meeting Point are of the opinion that Hong Kong must develop and maintain a highly efficient and safe transport system which will meet the needs of economic development and the needs of the residents in all communities. We think that the Government must review and update its whole transport network plans covering sea, land and air transport. Even more importantly, the Government must make its commitment and put its words into action. It must make available the money for these projects and award the necessary contracts.

The government officials will perhaps comfort us and tell us not to worry because Hong Kong eventually will have an integral transport network and the Government will carry out all of the three major principles laid down in the 1990 White Paper on Transport Policy: (1) improving the transport infrastructure; (2) expanding and improving public transport; and (3) managing the demand for road use.

However, as the Government has not yet turned in even its old assignments I wonder how long it will take before the Government stops dragging its feet and proceeds to complete an integral transport network which will keep pace with economic development and address the needs of the people.

Very probably, what will happen is that we will have the most sophisticated airport, the best harbour and the most modern and largest container terminal but the rest of the transport picture will be a mess: There will be traffic jams between communities. The economy will also be adversely affected with the people boiling with anger.

The Governor's policy address makes no mention of transport at all. This being so, and assuming the worst scenario described above, I will say to the Government the exact words used by the Governor, "It has to stop!" It cannot go on like this. I hope that the Government will pull itself together and muster enough courage to solve the transport problems of northwest New Territories. It must not drag its feet any longer.

Mr Deputy President, with these remarks, I support the motion.

MR ALBERT CHAN (in Cantonese): Mr Deputy President, I will make suggestions concerning Route 3 and the improvement of traffic conditions on Castle Peak Road. The United Democrats of Hong Kong (UDHK) have all along been urging the Government to expedite the construction of Route 3 and of the railway for the northwest New Territories. However, it is well-known, and as the Government admits in its plans, that these large projects will not be able to complete by the end of 1998-99 at the earliest. However, as a the Chinese saying goes, "Water far away is of no use to fight a nearby fire". In the next few years, Tuen Mun Highway and Castle Peak Road will hold the key to everything having to do with traffic in the northwest New Territories. The two roads are seriously congested during rush hours. This shows precisely that the volume of traffic on the two roads is dangerously close to the saturation point. In the next few years, the Government really must do something about the overburdened Tuen Mun Highway and Castle Peak Road. It behoves the Government to do its utmost to improve the conditions along these two traffic arteries of the northwest New Territories. Otherwise, the people of the northwest New Territories will have to pay an inestimable price in time and money. This will be absolutely unfair to them.

I will now talk about Tuen Mun Highway. According to official information, the current maximum capacity of Tuen Mun Highway in either direction is 4 800 vehicles per hour. A recent survey found that the volume of traffic in either direction during rush hours has already come to 4 500 vehicles per hour. Clearly, the volume of traffic on Tuen Mun Highway during rush hours is already near the saturation point. Even more unfortunately, accidents are not uncommon on the Highway, usually causing traffic jams or paralyses. It can be seen that, under normal conditions, people commuting to and from the northwest New Territories have to spend an hour or two each day in slow-moving traffic. If a traffic accident takes place as it may happen at any time, the resultant traffic paralysis will cause the commutes an inestimable loss of time and an immeasurable amount of mental anguish. For instance, an eight-car pile-up last week brought the traffic between Kowloon and the New Territories to a standstill for more than three hours. If we take into consideration the fact that a river pier for cargo ships will be built in Area 38 of Tuen Mun and the fact that an increasing number of people will move into the housing estates in Tin Shui Wai, we will see that these additional burdens stemming from the sharp traffic increases will be the last straw on Tuen Mun Highway as a traffic artery.

From the above, we can see that the Government and the departments concerned made serious mistakes when the transport policy was formulated. First of all, the Government made mistakes in its projections for traffic growth on Tuen Mun Highway. Accordingly, the design of the roads failed to meet the development needs of the new towns. This is why serious traffic congestion is now so frequent. Also, the Government failed to carry out suitable plans for dealing with potential traffic congestion. For instance, the Government dragged its feet for a long time over the decision to construct the country park section of Route 3 and the Ting Kau Bridge. It is not until recently that the Government

commissioned a study of ways of inviting tenders for the projects and an assessment of the project's environmental impact to see whether it is feasible. These measures are practically useless for solving the pressing congestion problem of Tuen Mun Highway. Government departments really cannot escape responsibility for the administrative blunders. Also, there are negligent omissions and deficiencies in the planning done by the Transport Branch. The Port and Airport Development Strategy published in 1989 stated that infrastructure planning was based on projections for the volume of vehicular traffic, and this volume was projected to increase at a 5% annual rate. However, the actual increase rate for each of the past two years was as high as 10%, twice the Government's projected rate. The increase has led to the serious traffic congestion in New Territories South and New Territories West. However, despite knowing that the actual increase rates in recent years were far above the projected rate, the Transport Department still failed to take steps to deal with the sudden traffic growth. This shows that the government departments responsible for the implementation of the transport policy are inflexible in responding and adjusting to changes in traffic situations. This is why problems keep reappearing.

I will now talk about Castle Peak Road, which is closely related to Tuen Mun Highway, as closely as teeth and lips. Castle Peak Road could have helped relieving the traffic burden of Tuen Mun Highway. But Castle Peak Road was constructed a long time ago and in the early days it was the only link between urban Kowloon and Tuen Mun. It was not designed in accordance with present-day standards. The road therefore cannot serve the purpose in sharing the traffic burden of Tuen Mun Highway. It is winding and narrow and one cannot drive fast along it. In addition, it abounds in bottleneck segments. Castle Peak Road simply cannot meet present-day traffic needs. Also, there are many container yards along the length of Castle Peak Road. Container lorries waiting to enter or leave the yards often cause traffic jams. The full-scale widening of the Tsuen Wan to Tuen Mun section of Castle Peak Road cannot brook one moment's delay. We welcome the Government's decision to allocate \$494 million on widening the Tsuen Wan section of Castle Peak Road in 1993-94. This project, however, will widen the section of Castle Peak Road from Tsuen Wan to only as far as Sham Tseng. So it will not be of much help to the congested Tuen Mun Highway. Though the Territory Development Department and the Highways Department have begun widening the section from Tuen Mun to So Kwun Wat and begun works on a link from Belvedere Garden in Tsuen Wan to Yau Kam Tau, where it connects with Castle Peak Road, yet if the current rate of progress is anything to go by, I am afraid that the full-length widening of Castle Peak Road will not be completed before 1997. Thus, there will not be much relief for the traffic problems of the northwest New Territories until the completion of Route 3. Therefore, I hope that an earlier overall completion date will be set for the full-length widening of Castle Peak Road. In addition, the authorities should take more effective measures to control the container lorries that wait by the road side before entering container yards. This will reduce traffic jams. Road widening works will inevitably cause traffic jams at certain spots in the short term. Still, sharp short pains are

preferable to dull lasting pains. The Government ought indeed to complete the works as soon as possible.

Lastly, the authorities concerned have said that Route 3 and the Ting Kau Bridge will not be completed until 1998-99. Concerning the country park section of Route 3, Mr Michael HO will speak to express the views of the UDHK. I will talk specifically about the Ting Kau Bridge. The bridge, an important element of Route 3, is designed to connect the country park section of Route 3 with Tsing Yi. The volume of traffic on Tuen Mun Highway will reach 6 400 vehicles per hour in 1997. This is far above the highway's capacity, which is 5 400 vehicles per hour. The volume of traffic on Kwai Chung Road will reach 7 300 vehicles per hour in 1997, which is 80% of capacity. That is to say, all traffic arteries will then have reached their capacity. The Ting Kau Bridge will indeed be able to share the traffic burden of Tuen Mun Highway. It will enable the traffic between the new airport and urban Kowloon to by-pass the Tsuen Wan bottleneck. However, if the bridge is not to be completed by 1998 or 1999, then it will not be of much help to relieving the traffic of Tsuen Wan and Kwai Chung. Mr Deputy President, I hope that the Government will complete the Ting Kau Bridge in 1997, in time to support the northern section of Route 3 and the Tsing Ma Bridge. Thank you, Mr Deputy President.

MR FREDERICK FUNG (in Cantonese): The internal and external traffic conditions of New Territories West, that is, Tuen Mun and Yuen Long, have been so unsatisfactory that there is never a moment when they are not under strong attack by the residents and the interest groups over the past few years. On the afternoon of 17 November (Tuesday), as people were rushing home from work, a six-car pile-up on Tuen Mun Highway nearly paralysed external traffic in New Territories West. Tens of thousands of affected people were upset and angry. Actually, the same thing happened many times before. It will certainly happen again in the future and the situation will get worse.

I believe that all colleagues seated here today are of the opinion that the amelioration of New Territories West's external traffic problems cannot brook one moment's delay. The crux of the matter is the timing of the construction of the mass transit railway linking New Territories West to the urban areas, the country park section of Route 3 and the Ting Kau Bridge, as well as what interim measures may be taken at the moment to ease traffic congestion on Tuen Mun Highway. I and several representatives of the Hong Kong Association for Democracy and People's Livelihood (HKADPL) and some Tuen Mun concern groups held a meeting on 3 October with the Assistant Commissioner for Transport to discuss the above problems. We received a four-point response:

- (1) A consultancy report on railway development planning for the whole territory, which includes a railway linking New Territories West to the urban areas, will be published early next year to seek public comments.

- (2) Construction of the country park section of Route 3, including the Ting Kau Bridge, will not begin until 1995 at the earliest. And the facility will not be opened to traffic until 1998 at the earliest. Private funding is preferred where financial arrangements are concerned.
- (3) Regarding ferry services, planning is underway on open tenders, with invitation of bids to begin in six months from now. Services to Hong Kong Island and to Tsim Sha Tsui are to be stepped up. Also, a study will be made on the construction of a pier in Tuen Mun East.
- (4) A joint working group is to be formed by the district boards of Tuen Mun, Yuen Long, Tsuen Wan and Kwai Tsing as well as the relevant government departments to identify short-term solutions for traffic congestion on Tuen Mun Highway.

The above series of laid-down measures for improving the traffic conditions of New Territories West are belated remedies but I think it is never too late to introduce them. They will certainly produce some positive effects and deserve our support. Still, I would like to put forward the following points for the Government's consideration.

- (1) In September, I and representatives of the HKADPL arranged a meeting with officials of the Transport Branch. We suggested that consideration be given to extending the airport railway from Chek Lap Kok to Tap Shek Kok, Tuen Mun. This would have three advantages. The construction of the railway extension will not be hampered by land resumption problems or environmental impact problems. The extension can be built and become operational on schedule sooner than other proposed alternatives. If the railway goes through a tunnel between Tuen Mun and the airport, the travel time will be four minutes at the most. From the airport, it would take one no more than 25 minutes to travel to Central. In other words, one can get from Tuen Mun to Central very quickly, in only about 30 minutes.
- (2) Despite the fact that there is an on-going argument between China and the United Kingdom concerning, among others, the cost of the airport railway and its usefulness, additional 350 000 or so people will use the airport railway if it is extended to Tuen Mun and Yuen Long. This will greatly increase the railway's cost-effectiveness and reduce the investment risk.
- (3) The airport railway may even be further extended via Tuen Mun West's vast industrial centre to Shenzhen. This will shorten the distance between the airport and China and will be good for Tuen

Mun's industrial and commercial development and conducive to Sino-Hong Kong economic development.

I am very glad that our suggestions of extending the airport railway to Tuen Mun will be given consideration in the context of railway development planning for the whole territory. We hope that this Council will discuss the suggestions when comments are invited from the public and from this Council next year.

Also, I have some comments to make concerning the privatization of the management of the country park section of Route 3 and the Ting Kau Bridge. I believe that everybody knows that the country park section of Route 3 and the Ting Kau Bridge are now the fastest and most effective way to solve the traffic problems of New Territories West. In fact, after the country park section (from Lok Ma Chau via Yuen Long to Ting Kau) is completed, vehicular traffic to and from Shenzhen and Yuen Long will not have to use Tuen Mun Highway any longer. This will subsequently help relieve the traffic on Tuen Mun Highway. As for the Ting Kau Bridge, it will give external traffic from New Territories West direct access to Tsing Yi and thence to urban Kowloon. This will greatly untangle the traffic woes in Tsuen Wan and in the container port of Kwai Chung.

It is a pity, however, that the Government's tentative plan at this point is to put the construction of the country park section of Route 3 and the Ting Kau Bridge in the hands of private developers and to set up two toll plazas. Tolls will have to be paid twice. This means that commuters from New Territories West and road users travelling between China and Hong Kong may have to shoulder more travel expenses. Many vehicles may therefore choose to use the old road, thus continuing to cause traffic congestion there. This will indeed do little to improve the existing situation. In fact, the Tuen Mun District Board has adopted a resolution against imposing a toll on vehicles using the Ting Kau Bridge. Some interest groups and individuals think that what the Government is planning to do is like "fishing in troubled waters". The Government is putting forth this idea of private operation just when the people of New Territories West are desperately in need of a solution to the traffic nightmare. Given no other choice, they will be forced to bear the higher expense. Thus, the public will be made to pay for the Government's mistake committed 10 years ago in its planning of the new towns of Tuen Mun and Yuen Long.

I very much hope that, with respect to the financial arrangements for the country park section of Route 3 and the Ting Kau Bridge, the relevant departments will give further consideration to the views of the Tuen Mun District Board and Tuen Mun residents, that is, public funding should be made available for these projects as the Government will do so for the Tsing Ma Bridge project. I also hope that the Government will fully consult the public.

Lastly, I think that the relevant departments should give solid support to the joint working group comprising representatives from the District Boards of

Tuen Mun, Yuen Long, Tsuen Wan and Kwai Tsing. Short-term arrangements should be put into practice expeditiously so that the present traffic congestion on Tuen Mun Highway could be mitigated. In this way, the joint working group will really be able to get something done instead of becoming a "shield" for the Government to hide behind.

With these remarks, I support Mr WONG Wai-yin's motion.

6.26 pm

DEPUTY PRESIDENT: I shall suspend the sitting to enable the Council to take a supper break.

7.17 pm

DEPUTY PRESIDENT: Council will resume.

MR LEE WING-TAT (in Cantonese): Mr Deputy President, the motion of today's debate is on the traffic problems of the New Territories West and their root cause indeed lies in improper planning. Very often, the lack of co-ordination in local development is a result of the Government's failure to make far-sighted and long-term plans or a result of its failure to phase in constructions according to plans. Worse still, it failed to review and update the plans when problems begin to surface. Often, it is only when problems become unbearable and cause widespread discontent that the Government will rush to announce that it is studying this or considering that. One example was the traffic congestion that plagued Shatin several years ago, when there was only one tunnel for all the traffic to and from that area. Another example is the constant traffic congestion on the North and South Tsing Yi Bridges. In the late 1970s and the early 1980s, when Tuen Mun began to develop and before the Tuen Mun Highway was fully completed and opened to traffic, the residents of that new town not only had to live like pioneers but also had to spend three or four hours on traffic each day.

Mr Deputy President, in the main, two different thoughts are behind the planning of the new towns. One thought is that each new town should become a self-contained community with its own employment opportunities, schools and facilities for recreation. The other thought is that express highways and railways should be constructed to link the new towns to the urban areas to enable the new town residents to travel quickly to and from their places of work in the urban areas. The first thought was emphasized in new town planning during the 1970s. However, when the development of the new town of Tuen Mun demonstrated the total failure of the "self-contained" concept in the early 1980s, the Government failed to act promptly to make planning adjustments in response to the expected rapid growth in the volume of traffic. The

Government failed to expedite the planning of a new highway and a railway. Instead, it dragged its feet again and again. It was not until 1989 that the Government's Second Comprehensive Transport Study came up with some recommendations. But these recommendations were more conservative than what a slow person might have suggested. Paragraph 6.7 of the study had this to say: New rail lines are recommended to two communities in the New Territories: the new town of Junk Bay and the region of the northwest New Territories. Both communities are planned to be major population growth centres and it is strongly recommended that the detailed planning of the new rail line go hand-in-hand with the development of these communities. This will enhance the attractiveness of the communities as places to live. Both links are recommended for construction in the early 1990s, assuming current plans for population growth.

In January 1990, the Government published a policy paper entitled *"Moving into the 21st Century: The White Paper on Transport Policy in Hong Kong."* Paragraph 59 stated: "The proposed rail link is intended to serve the new towns of Tuen Mun, Yuen Long and Tin Shui Wai. The Second Comprehensive Transport Study recommended development of this rail link in the early 1990s." These are the words of a government policy paper. The Government should not retard the progress by shirking its responsibility and turns a blind eye to the seriousness of the situation. A policy on this was made in January 1990. Yet the Government is dragging its feet again. The Government has now announced that another comprehensive study of railway development will be undertaken this year and that the report will not be ready until the end of the year. I used to suspect that senior governments officials' job is not to solve problems promptly. My suspicion is now confirmed by what I see with my own eyes in this Council. These officers wallow in piles of papers such as plans, estimates, reviews, comprehensive studies and financial feasibility studies and so on. They use fallacious statements as protective bells. Hiding inside these bells, they protect themselves from the verbal barbs of Councillors and citizens. The bells also serve to insulate these officers from the outside world, so that they do not see the problems that are plaguing the public. Outside the bells, we see the several hundred thousand daily commuters of Tuen Mun and Yuen Long continue to be plagued by traffic congestion. Nor will their plight end soon. Not the slightest improvement can be expected for the next six or seven years. The problem will get much worse as more people move into the Tin Shui Wai area.

Mr Deputy President, according to the White Paper, the volumes of passenger and cargo traffic between the urban areas and the northwest New Territories are expected to increase by 64% and by 175% respectively between 1986 and 2001. With such rapid growth in traffic demand, the construction of new routes is a matter of great urgency. The United Democrats of Hong Kong (UDHK) suggest that the Government should make a quick decision to build Route 3 (country park section) and that the construction should begin forthwith. In the interim, active steps should be taken to widen the Castle Peak Road and the Tuen Mun Highway and to increase ferry services and so on.

The railway is a mode of mass carrier that does not compete with others for road use. An underground rail line linking Tuen Mun and Yuen Long to the existing Mass Transit Railway station in Tsuen Wan is a practical solution. This railway system can also be connected with the existing LRT system of Tuen Mun and Yuen Long. Property development is possible along the railway and railway stations can also be developed into population growth centres. For these reasons, on behalf of the UDHK, I urge the Government to treat the railway linking the New Territories West to the urban areas as a top priority project in the comprehensive railway study which will be released towards the end of this year.

With these remarks, I support the motion.

MR GILBERT LEUNG (in Cantonese): Mr Deputy President, during this Council's debate on law and order last year, I said that the Government simply did not have an overall policy for our new town development. The result is the lack of proper care for those who have moved from the urban areas into new towns. This lack of proper care affects their everyday needs, such as, education, health care, transport and law and order. I am always of the opinion that, when it comes to the provision of basic facilities that closely affect the way people live, the Government does not think big; it lacks the vision to make long-range plans and is not courageous enough to take up responsibility. Consequently, as new towns are developed one by one, social problems also spring up one after the other. The disastrous effects of the Government's myopia are now starkly evident in the northwest New Territories today. In Tuen Mun, the law and order situation is poor. Juvenile offenders are numerous. This is because the school places, the Government's family services and even youth services are simply inadequate compared with the needs of families in the new town. The population of Tuen Mun is still growing with each day. And Tuen Mun Highway has already reached its capacity. But the Government is remaining unmoved as it waits patiently for yet another consultancy report. The valuable time of the several hundred thousand residents of Tuen Mun is wasted during this wait for the result of one study after another. To be slow in recognizing the needs of the people is infuriating enough. Not to be even aware of these needs is unforgivable. What worries and upsets me the most is the Government's persistent obduracy. It appears that the Government would like to commit again in Tseung Kwan O in the 1990s the very same mistakes that it committed in Tuen Mun in the 1980s.

Mr LEE Wing-tat referred a moment ago to the 1989 report of the second comprehensive study on transport. The report indeed made it quite clear that the Government had to build a Mass Transit Railway (MTR) extension line to Tseung Kwan O if Tseung Kwan O was to be developed as a new town. The consultant figured that a population size of 150 000 would be big enough to pay the necessary MTR fares to cover the extension line's recurrent expenses and the trains' depreciation. As a matter of fact, Tseung Kwan O would do better than that; it would be developed as a new town with a population of over 400 000.

In the few years to come, the population of Tseung Kwan O will grow, as more and more buildings are constructed and completed. But the construction of the MTR extension line has been put off indefinitely. I would like to ask the Government: Is it necessary for the Government to wait until there are scores of long lines queuing up at each bus stop? Does the Government have to wait until all the roads in Tseung Kwan O as well as the Tseung Kwan O Tunnel will be as congested as Tuen Mun Highway is now? Does the Government have to wait until then before it will see the need for the MTR extension line? If it has no *bona fide* intention to construct the MTR extension line, why then did the Government show in the development maps and in the Home Ownership Scheme sales brochures that there would be such a line, thus misleading potential buyers and residents? When we were planning the new airport project, the Government said that Kai Tak Airport's capacity was expected to reach its saturation point in 1997; so it would be necessary to get ready and to start building the new airport a few years in advance. The people of Hong Kong like the idea of making all the necessary preparations well in advance. So we supported the new airport project. But the people of Hong Kong, especially the residents of new towns, will ask: Why did the Government act so stupidly when it comes to the planning of the transport facilities of the new towns that it forgot about the idea of making all the necessary preparations well in advance? The people of Tseung Kwan O often ask this kind of questions. Clearly, in a few years' time, the population of Tseung Kwan O will have grown to a size that MTR services will be justified. Why is the Government still refusing to make a clear commitment to building the MTR extension line? Such inconsistency will only make people feel that the Government does not care about them. The Governor recently kept emphasizing that the Government must be open, fair, acceptable and accountable to the public. May I ask: How can a government that does not care about the people be called a responsible government? I agree that, because the Government's resources are finite, there must be an order of priority for our construction projects. However, there must be a criterion for determining this order of priority. I would use a consistent criterion to determine the importance and urgency of a construction project. But the Government is using two different criteria. Projects in the Government's favour get the "early planning and getting ready" treatment. Projects not in the Government's favour, on the contrary, get the ostrich treatment which is characterized by the piece-meal problem-solving and the playing-it-by-ear approach. On behalf of the people, I solemnly remind the Government that such use of double standards is unacceptable and that the Government cannot deceive the general public because they are very perceptive.

Hong Kong has a large population relative to its land resources. The development of new towns is the certain trend of urban development. And it necessitates heavy investment. However, when unsatisfactory external traffic is causing widespread discontent among the residents, it will only discourage others from moving into the new towns. This being the case, new town facilities will not be fully utilized and some investments are wasted. The Government attaches great importance to the cost-effectiveness of the new airport. Why is it belittling the cost-effectiveness of the new towns' external

transport facilities? I strongly urge the Government to stop undertaking one study after another and commissioning one report after another on problems that are clearly laid out in front of us. That merely wastes taxpayers' money and time. Traffic conditions in the new towns are unbearable. Amelioration cannot brook one moment's delay. An MTR extension line serving Tseung Kwan O in the southeast New Territories is necessary in the judgment of experts engaged by the Government. The Government must not indefinitely ignore advice that is not to its liking while accepting advice that is to its liking. The public would certainly find this unacceptable, and so would I as a Councillor. A responsible government absolutely must not take such an attitude.

Mr Deputy President, with these remarks, I support the motion.

MR FRED LI (in Cantonese): Mr Deputy President, the Government and the Housing Department, especially the latter, often urge clearers of the affected squatter areas and temporary housing areas and people on the public housing waiting list to move into new towns, especially Tuen Mun and Yuen Long because most of the new public housing estates are constructed in new towns such as Tin Shui Wai.

However, today's debate on the transport of New Territories West will give us some idea why more and more people refuse to move into the new towns.

In spite of such a transport problem in the northwest New Territories, the Government still sees fit to urge people to move into that area. I feel that the Government should really find a radical solution to the problem.

Transport, like energy and communication, is one of the important fundamentals of the development of economic, business, trade and financial activities. Moreover, transport is part of our daily life. And it is essential for maintaining contacts with one's relatives and friends and forging friendship. If we make a good job of transport, we can answer a double purpose in terms of boosting our economic activities and meeting people's demand for transport facilities.

It is a hard fact that the transport of the northwest New Territories is getting worse by the day, causing enormous loss to the economy and the community. The problem is now spreading to New Territories East and even to the urban area. The authorities concerned should face it and tackle it. The Tuen Mun Highway is an example. The current situation is, despite the fact that many vehicles now use the Tolo Highway instead, the Tuen Mun Highway is still suffering from congestion whereas the traffic movement on the Tolo Highway is getting slower and slower. Moreover, those vehicles taking the circuitous route have to bear a higher transportation cost. In other words, new problems keep springing up when no solution to the existing ones is at sight. What measures do the authorities concerned have in mind?

Take the tourism industry as another example. The industry is our third largest foreign exchange earner which reaped \$40 billion to Hong Kong in 1991. I believe that Mr Howard YOUNG will agree with me. Tourists would not like to experience traffic congestions when touring the New Territories and thus have to stay for another one or two days in Hong Kong. This is unreasonable. I believe that Mr Gilbert LEUNG still has a fresh memory of the remarks made by the Secretary for Trade and Industry at the Legislative Council meeting on 21 October. The Secretary admitted that it required better transport links before we could successfully encourage more people to take an interest in the Yuen Long Industrial Estate.

Miss Emily LAU raised a question about congestion at the Cross Harbour Tunnel on 3 June this year. The Secretary for Transport replied that if the congestion problem at the Cross Harbour Tunnel was not tackled properly, it would incur \$1 million loss a day. I wonder what the loss caused by the northwest New Territories' transport problem is. Wage increase will push up the costs of the freight industry but it will finally stimulate consumption, raise savings and boost the economy. But the increase in costs brought about by traffic congestions is a *bona fide* loss.

Apart from traffic congestion, the freight industry encounters problems in relation to the shortage of parking spaces. Due to a dearth of parking spaces, many container trucks and heavy goods vehicles are illegally parked or kept in places far away from the container terminal. This would drive up the costs of freight and worsen the traffic congestion situation. These problems would damage Hong Kong's economy at the end of the day.

I not only join others to urge the Government to tackle the transport problem of the northwest New Territories; I also feel that the authorities concerned should address the problem of parking and keeping heavy goods vehicles and container trucks.

At present, we have over 10 000 container tractors and over 15 000 trailers in Hong Kong but there are only 2 000 legal parking spaces in Tsuen Wan and Kwai Tsing areas. I urge the Government to face the problem arising from parking space shortage squarely. The Government should expeditiously grant land for the construction of multi-storey car-parks for contractor trucks and make provision for container truck parking spaces in various locations throughout the territory.

After all, the problem still is whether or not the Government has the will to look beyond 1997 in its administration. The Government should stop dragging its feet over the provision of various facilities so that the knot of the matter with regard to the transport network in the northwest New Territories can be untied.

With these remarks, I support Mr WONG Wai-yin's motion.

MR TIK CHI-YUEN (in Cantonese): Mr Deputy President, since the 1970s, the Administration has been actively implementing its new town programme by rehousing a large number of people into various districts in the New Territories like Tuen Mun, Yuen Long, Tai Po and North District. According to the programme, these new towns were to be self-sufficient in that employment, education, entertainment and opportunities for other community activities could be provided within these new towns for the residents. But after so many years, the objective of self-sufficiency has proved to be a total failure. The community facilities and job opportunities in the new towns just cannot cope with the population growth and the ensuing needs. A large number of people still have to go outside their districts to work, to school or for other activities. Take the example of my constituency the New Territories North where 70% of its working population has to go outside the district for work, and thousands of secondary school students have to attend schools in other districts. The inadequacy of jobs and schools within the district has made it necessary for residents to travel to other districts to work or attend school. These commuters have generated a greater demand for transport and road facilities than originally envisaged under the planning programme for new towns. The transport problems in the northwest New Territories are indeed the grave consequences of the Administration's improper planning.

Tai Po and North District are also new towns. Although serious traffic congestions do not regularly occur in these two districts, the continual growth in population without new roads coming onstream is causing worries that serious traffic congestion in New Territories East at the Lion Rock Tunnel will occur again. In fact, there are already slight congestions during rush hours at the Tate's Cairn Tunnel and the Lion Rock Tunnel. Besides, the residents in the New Territories North can only rely on the railway as their means of transport because external bus services for the district are seriously inadequate. This has resulted in the residents having no choice but to pay high fares for rail services. If rail services break down, the residents suffer great inconvenience. All these are the results of the Administration's erroneous planning which fails to take care of the needs of the residents in New Territories North.

The Administration has also failed to accurately estimate the impact of the continual growth in trade between Hong Kong and China. Mr Fred LI has just mentioned that there are more than 10 000 container lorries in Hong Kong, but the parking spaces in the Kwai Chung area are less than 2 000. The consequence of the inadequacy of parking spaces and other supporting facilities is that these container lorries have to travel longer distance thus generating greater pressure on the roads. I have a friend Mr LEE who is a container lorry driver and his daily duty is to drive to the container terminal and the industrial areas for loading and unloading goods. After work, he has to drive his lorry back to Yuen Long where he lives, because he cannot find a legal parking space near the container terminal. But he has to drive his lorry to the container terminal every morning. So every day Mr LEE in his container lorry has to make a return trip between Yuen Long and Kwai Chung. But if he can find a parking space in Kwai Chung, he will not have to drive his lorry back to

Yuen Long, as he can use other transport facilities to go home, and thereby reduce the usage rate of the Tuen Mun Highway. From the problem of container lorries, we can again see that the Administration lacks a comprehensive plan in transport.

The transport problems in the northwest New Territories and other new towns have reached intolerable proportions. If the Administration continues to evade the problem and leave it unsolved, the residents' voice of dissatisfaction will become stronger and their action will also further escalate. Regarding the transport problems in the northwest New Territories and other new towns, Meeting Point have the following suggestions:

1. Review the *White Paper on Transport Policy in Hong Kong — Moving into the 21st Century (1990)*, because part of its contents and suggestions cannot meet the current needs of Hong Kong.
2. Formulate a strategy on the external transport of the new towns, and reassess the role played by the railway, the Light Rail Transit system, public buses, estate buses and so on, in order to provide the residents with diversified transport services.
3. Examine the internal transport network of the new towns, and set up circular bus services within the districts, connecting the housing estates and community facilities within the districts.
4. Review the policy on container lorries and improve the parking and other supporting facilities. In the long run, the area ratios for supporting facilities and parking lots near the container terminals must be increased. In the short run, legal parking spaces for container lorries can be provided in the open areas of the various industrial districts and the housing estates of the new towns.
5. Lastly, the Administration should implement as soon as possible regional development projects like the Route 3 (Country Park Section).

The construction of roads and transport networks cannot be completed in a day. Since the Administration has already made many planning mistakes, remedies must be worked out as soon as possible to solve the transport problems faced by the public.

Mr Deputy President, with these remarks, I support the motion.

MR HOWARD YOUNG (in Cantonese): Mr Deputy President, when it now comes to my turn, almost the last speaker that I am, to speak, it would be like playing the tape recorder or gramophone if I should repeat what speakers

before me have said. Be that as it may, this would yet serve to reflect the unanimity of views in this Council and also public opinion.

In times of heavy rain and typhoons, we always learn about news of flooding in the northwest New Territories and the sights of the residents being caught in dire straits are, I believe, not unfamiliar to us. Moreover, we constantly hear of news that traffic in the entire northwest New Territories has come to a standstill because of traffic accidents. Aerial coverage by the electronic media makes us feel as if we were there on the scene, seeing the incredible sight of all sorts of vehicles, including goods vehicles, taxis, container trucks and buses packed bumper to bumper in an endless queue. To people who do not live in that region, this may perhaps be the only thing that impresses them as far as New Territories West is concerned. However, to residents who live in that region and who fully experience the hardship of traffic congestion, I believe this is not something to be proud of.

As one who has lived, over the past 10 years, in New Territories North, New Territories West and New Territories East, I saw the commissioning of Tolo Highway which provides access to Sheung Shui and Fanling and the improvement of Clear Water Bay Road. By comparison, I felt that New Territories West is being neglected. Since the Government is ready to spend tens of billions dollars to build a rose garden for us, I believe it should also take care of every plant in the garden and should not be partial to one or another. The Government should honour its promise of improving the road network of New Territories West to alleviate traffic problems in that region as outlined in the various consultation papers and in the White Paper. Last week, in a news briefing on child abuse, the spokesman referred to Tuen Mun as the district where child abuse was most common, and blamed this on the community service development and traffic problems there. I share that view. Faced with no end of a traffic predicament, the strain is telling on residents of the district.

Having worked as an executive in the shipping industry for more than 12 years, I am particularly concerned about the effects of the container industry on the traffic of New Territories West.

In Hong Kong where space is so limited, it is inevitable that certain industrial and commercial facilities are located in close proximity to residential areas, and the container port is an example. Such container trucks, being loaded with containers, cause inconvenience to residents no matter whether they are moving in or out of New Territories West or being parked for the purpose of waiting in the district. Despite the fact that such activities which are favourable to the economy of Hong Kong must continue and be developed, I still feel that efforts can be made by the Government to improve the transport infrastructure so as to reduce traffic problems to the minimum.

According to the information available, the way I understand the situation happens to be the same as do Mr Fred LI and Mr TIK Chi-yuen, and that is, container trucks plying between Hong Kong and China mostly make use of Tuen

Mun Highway to travel to and from the container port, causing serious traffic congestion. The solution is to build the country park section of Route 3 to enable container trucks to go straight from the border to Kwai Chung and Tsing Yi without passing through Tuen Mun. I am skeptical of the delay on the part of the Government in fulfilling its promise to build Route 3. Nevertheless, in the spirit of "better early than late" and "better late than never", I strongly urge the Government to complete, as early as possible, this task which has been a "matter of regret" for the residents of New Territories West for many years. The Government should also speed up its study on the feasibility of widening Tuen Mun Highway as well as the implementation of the widening work of Castle Peak Road in order to cater to the pressing need.

Apart from developing the road network, the Government must also pay attention to the problem of parking for container trucks. I can recall many of my colleagues saying that many of the traffic congestion problems can be solved if the Government can provide adequate parking spaces and car-parks so that it will not be necessary for vehicles to be parked in places which will obstruct traffic, or that it will not be necessary for them to "loiter" on the roads to look for parking spaces. As container tractors are huge in size, they will definitely cause a large number of parking problems. According to information available to me, there are at present 15 000 container trailers whereas only slightly more than 2 000 legal parking spaces are provided in Kwai Tsing and Tsuen Wan. I feel that this is like asking a primary school student who weighs only 50 pounds to carry a schoolbag which is several times his weight. There is going to be a certain negative effect on his physical development. New Territories West is this primary school student who is being forced to shoulder a serious parking problem. With so many trailers being illegally and indiscriminately parked on the roads, it is only natural that traffic in New Territories West is becoming even more congested. Therefore a good solution to the problem is to increase legal parking spaces.

The increase in freight traffic between Hong Kong and China will definitely generate heavier demand for container vehicles. Of course, in the long run, Mr Deputy President, we hope that the Government will build roads directly linking the border and the container port, but it seems that this will not be completed within the foreseeable future. Therefore, why not let us focus on those tangible measures which are within our reach? Let us get started as soon as possible, that is, to build Route 3, to widen Tuen Mun Highway and Castle Peak Road as well as to increase the number of parking spaces for container trailers. Mr Deputy President, our debate today is not on a controversial subject; it is on a plain enough subject which is patent to all. Under such circumstances, I hope that the Government will accept our views and really set out to solve the traffic problems in New Territories West. I support the motion.

DR TANG SIU-TONG (in Cantonese): Mr Deputy President, today's motion seems to be just old wine in a new bottle because all the proposals have been discussed time and again on different tiers of boards/councils in the past few years. They were discussed at a meeting held by the OMELCO Standing Panel on Transport on 19 November 1991 and raised as a question at a Legislative Council meeting on 15 January 1992. Unfortunately, the Transport Branch officials are so good at giving the runaround and have actually not done anything in these few years.

The population in Tuen Mun and Yuen Long now stands at more than 600 000. Although serious traffic congestion has become a daily occurrence, the Administration just keeps on pacifying the public by saying that studies are being conducted or improvements are being made but no progress whatsoever has been made so far.

I wonder why for so many years no effective solution has been found to put an end to such a serious traffic problem which has a direct bearing on our livelihood and economic development. It prompts one to ask whether such a government is a responsible one. What are the reasons for this? Is it because the Transport Department's plans cannot keep up with the actual needs? Could it be the Administration's failure to accord top priority to this critical problem? Or is it because the policy in this respect has long been one merely treating the symptoms but not the disease, with neither vision nor basic solution at all?

Early this year, the Secretary for Transport informed this Council that the problem was under study. However, a long time has elapsed but we have yet to see any improvement on the traffic congestion.

According to the opinions and complaints received by me, I, as a Legislative Council Member representing New Territories West, firmly believe that the several hundred thousand residents living in this part of the territory are extremely dissatisfied with the present situation.

At present, Tuen Mun Highway and Castle Peak Road have reached capacity. With the completion of the housing estates at Tin Shui Wai, more than 100 000 people are expected to move into Yuen Long. As a result, the existing traffic will get worse. Because of planning blunders, a majority of the residents in Yuen Long and Tuen Mun have to go to work in the urban areas in Hong Kong and Kowloon. Every day when they make their trips to and from place of work along Castle Peak Road or Tuen Mun Highway, much of their precious time is wasted in the traffic congestion, thus leading to widespread cries of complaints.

Furthermore, the increasing freight transport between China and Hong Kong has relied heavily on our road links. And heavy container trucks that shuttle along the roads add more problems to the chaotic traffic.

In order to effectively solve the traffic problem in this area, I think it is necessary to draw up some long-term and short-term plans for improvement and have them carried out simultaneously. I repeat, they have to be carried out simultaneously.

Most of the proposals put forward in today's motion debate deal with long-term solutions such as the construction of Route 3 (country park section), the widening of Castle Peak Road and the building of a mass railway system connecting the northwest New Territories with the urban area. It behoves the Administration to take these measures which can uproot the problem. Yet, since it will take a very long time or maybe several years to complete the projects, these measures are just slow remedies which cannot meet the urgent needs before us.

In addition to the expeditious implementation of the aforesaid long-term plans, I propose that, as concerted action, the Administration should carry out a series of short-term measures immediately to relieve the traffic congestion in New Territories West.

Traffic congestion along Tuen Mun Highway not only stems from the saturation of traffic capacity but also from traffic accidents, which constitute another crucial contributory factor. Many motorists, not knowing that an accident has occurred or the traffic has been snarled up, may still use Tuen Mun Highway or Castle Peak Road and sometimes they will be caught in the congestion for hours. Indeed, the Administration has not faced the problems squarely and thus neglected the importance of contingency measures.

In order to improve the traffic situation in this area within a short period of time, I have the following proposals to make:

Firstly, additional road monitoring systems should be installed so that motorists could be alerted to the situation once any traffic accident or congestion is spotted, through the radio, and then switch to other roads or make a U-turn.

Secondly, large traffic conditions indication boards modelled on the types used in other countries should be provided at the approaches along Tuen Mun Highway leading to Tsuen Wan and Tuen Mun and other extensions. They could indicate clearly the prevailing traffic conditions so that motorists can make the appropriate choice well in advance.

Thirdly, the Government should purchase cranes which are able to lift up heavy container trucks so that the cleaning up after accidents involving these vehicles can be done efficiently to relieve congestion.

Fourthly, the Government may consider imposing restriction on the use of Tuen Mun Highway and Castle Peak Road by heavy container trucks during rush hours when office-bound traffic and home-bound traffic are very busy.

Fifthly, the maintenance works along Tuen Mun Highway and Castle Peak Road should be carried out at night as far as possible to reduce congestion.

Sixthly, commuter services on sea transport should be enhanced by using hovercrafts of great passenger capacity and high speed to ply between Tuen Mun and the urban areas in Hong Kong and Kowloon. The frequency of trips should also be stepped up. It is even better to have a pier built on Tuen Mun East!

In short, the traffic problems in the northwest New Territories have reached such a critical stage that the Administration must look at them squarely and formulate both long-term and short-term policies. Only by putting into practice the policies concurrently can we really solve the problems. Any delay or glib excuse will only arouse public discontent.

I support the proposal, which Mr LAU Wong-fat has put forward just now, that the construction of Route 3 should be accorded top priority given our scarce resources. However, the construction of a railway linking New Territories West and the urban area should also be considered because the only way to forestall future congestion is a mass transit system, such as railway, in view of the shortage of road spaces but a huge population.

Mr Deputy President, I earnestly hope that the Secretary for Transport will put forward in his reply some concrete improvement measures instead of merely making empty promises. With these remarks, I support the motion.

MR MICHAEL HO (in Cantonese): Mr Deputy President, as a member of the New Territories West Branch of the United Democrats of Hong Kong and a member of the Legislative Council who lives in New Territories West, everyday I have to experience the traffic congestion on Tuen Mun Highway and the taste of having to queue up for ferries. At present of the 700 000 people living in Tuen Mun and Yuen Long, about 70% of them have to travel to and from urban areas everyday to work or to attend schools and the accesses that they can use are limited to Tuen Mun Highway, Castle Peak Road and a ferry pier. However the two roads are reaching saturation point while the ferry service has failed to meet demand. Given that a few hundred thousand people are having these troubles everyday, there is absolutely no reason why a responsible government should be sitting there and doing nothing about it.

The root of the problem is that in the early stage of development of Tuen Mun, it was expected that the majority of the population could find employment in the district. However, for various reasons, industries in Tuen Mun failed to flourish. Since employment opportunities and pay in urban areas are both better than those in New Territories West, most of the people who have moved to Tuen Mun are reluctant to give up their original jobs. This differs greatly from the expectation of the Government and results in great strain on the traffic capacity in both Tuen Mun and the urban areas. In

addition, following the sharp increase in freight traffic between China and Hong Kong in recent years, Tuen Mun Highway has also become the main artery of freight traffic between the two places. Now, congestion is a usual scene on Tuen Mun Highway during the busy hours in the morning and in the evening. The congestion would become even more serious given that more housing estates would be completed in New Territories West in the future.

When the Government announced the construction of Route 3 in 1989, I believe many residents of New Territories West had seen a ray of hope. Residents of Tin Shui Wai as well as goods transport operators across the border also thought that pressure on Tuen Mun Highway and Castle Peak Road could be greatly reduced. However sometime ago the Government revealed that the construction of Route 3 (Country Park Section) which leads to Ting Kau Bridge would be delayed due to insufficient resources. Its completion date would be postponed from mid-1990s to 1998-99. This decision is really very unfair to residents of New Territories West. The Tuen Mun Highway and Castle Peak Road have nearly reached saturation during busy hours now. A minor accident is sufficient to bring traffic on these roads to a standstill. In addition, with the continued speedy increase of the volume of goods transported between China and Hong Kong, there are more and more container trucks travelling between New Territories West and Kwai Chung, not to mention the effects of the Container Terminal No. 9 when it is completed and put to use. Bearing in mind that housing estates in Tin Shui Wai would be completed one by one, if the situation is not improved expeditiously, the traffic condition between New Territories West and the urban areas in the next few years could be dreadful.

The early construction of Route 3 is in fact a highly beneficial investment. Apart from the increase of construction price, its early completion would enable the few hundred thousand Tuen Mun and Yuen Long residents to save an hour or so travelling time each day and spend it in production or with their family. The social and economic benefits that it would bring are indeed incalculable.

On the other hand, the delay in the construction of Route 3 (Country Park Section) would result in great increase of time wasted in traffic jams. This apart, there would be more traffic accidents. The loss in time only is already incalculable. From the perspective of the development of Yuen Long and Tin Shui Wai new towns, the earlier the building of the traffic infrastructure in the northwest New Territories the greater benefits it would bring. At present, many applicants of public housing are reluctant to accept public housing units in Tin Shui Wai, mostly for fear that the traffic problem would affect their daily routines and therefore they are unwilling to move their homes to New Territories West. In the light of this, we recommend that the Government should build Route 3 (Country Park Section) as early as possible. Ferry service originally offers an alternative to the people so that they can avoid the traffic jams. But unfortunately the service is unsatisfactory. After seven o'clock in the morning, a very long queue would appear extending from Tuen Mun Ferry Pier all the way to Melody Garden. One has to wait for at least half an hour before

reaching the pier. The passageway for getting on and off the ferry is so narrow that only one person can get through resulting in the ferry service being less than effective.

Earlier, the Government revealed that it intended to invite tenders for the operation of other ferry routes. This would be helpful in improving the ferry service and I hope that the Government would carry this out early. As a concerted action, the Government should immediately build a new public pier in order to enhance the supporting facilities of the ferry service. Finally about the railway, I believe a railway should eventually be built.

Mr Deputy President, I so make my submission.

8.00 pm

DEPUTY PRESIDENT: It is now eight o'clock and under Standing Order 8(2) the Council should adjourn.

ATTORNEY GENERAL: Mr Deputy President, with your consent, I move that Standing Order 8(2) should be suspended so as to allow the Council's business this evening to be concluded.

Question proposed, put and agreed to.

SECRETARY FOR TRANSPORT: Mr Deputy President, I am most grateful to all Members who spoke this afternoon for their wide ranging and helpful comments on measures to improve transport connections to the northwest New Territories. I am in full agreement with the sentiment expressed in this discussion. I am happy to endorse the general principle that we should proceed as much as we can to tackle the problems of the northwest New Territories. Indeed I have explained to this council, not so long ago on 28 October during the debate on the Governor's address, the Government's firm plans to tackle the problem in this particular region. In the light of the time available I wish to focus my response on the five main points of this motion.

Route 3 (Country Park Section)

As Members all agree, the ultimate solution of the Tuen Mun Highway's problem lies in the construction of the Route 3 (Country Park Section), including the Ting Kau Bridge. This, as Members are aware, is a very expensive project costing \$10 billion at present day prices. The scale and complexity of the project are such that it cannot be completed earlier than 1998-99. This however ties in with our original forecast, that this Route will be needed for the late 1990s. There is therefore no question of a delay in our timetable. Preliminary designs are in hand and financial consultants have been

working very hard on the viability of this project as a franchise arrangement. We have just received from them indications and we are about to consider inviting expressions of interest from the private sector to help us to decide whether and when we can privatize this project.

The northwest rail link

The northwest rail link is, as Members are aware, being considered in the context of the Rail Development Study. We should have the results by the end of this year. The study will focus on a wide range of strategic, territorial needs of railways, up to the year 2011. Not so long ago Members pressed me for an extension of the MTR to Tseung Kwan O. There are many requests for extensions of railways all over the territory. The Government must therefore take a general view on the priorities and timings of these projects in the best interest of the public.

At this stage I cannot pre-empt the outcome of the study but it seems to me a rail link to that part of the northwest New Territories has obvious attractions in that the same corridor could be shared with a proposed freight line from the border to the container port as well as a new cross border passenger rail service. For the moment, however, we must await the outcome of this study.

Road improvements

Every effort is being made to tackle the more urgent problem of road improvements throughout the territory, particularly in this region. A total of \$2.7 billion is now being spent on new roads in this region over the next two years. This includes the final section of the New Territories Circular Road from Fairview Park to Au Tau, the Yuen Long/Tuen Mun Eastern Corridor and the Yuen Long Southern Bypass. In addition, some \$740 million will be spent on widening Castle Peak Road. So far funds have been committed to improving four sections of that road. Work on the section between So Kwun Wat and Sam Shing is now nearing completion, while work on the dualling and realignment of a section closest to Tsuen Wan will begin at the end of this year. We will press ahead with improvements of the remainder of the road as soon as possible and subject, of course, to funds being available. Extra climbing lanes will also be provided in three uphill sections of Tuen Mun Highway. Work on the first of these is due to start in 1994 at a cost of \$150 million.

Ferry Services

We have definite plans to improve the frequency of ferry services. The existing hoverferry service between Tuen Mun and Central is supplemented during peak hours by three high-capacity conventional ferries. Two of these were added since June this year. The ferry company is also looking at ways to further enhance the service. Orders are likely to be placed to buy two new 300-seat fast vessels. When the new vessels arrive in August next year, the capacity

of the high-speed ferry service between Central and Tuen Mun will be increased by 50%. In the interim, we will deploy all means of conventional vessels to meet peak-hour demand.

About 14 hoverferries are now being deployed on the Tuen Mun service. They operate at five-minute intervals during peak hours. The service is supplemented during both peak hours by three conventional vessels, each with about 500 seats. Two of these vessels are air-conditioned. They also give passengers a choice of destinations other than Central.

Traffic management of Tuen Mun Highway

On the traffic management of Tuen Mun Highway, I believe that much can be achieved in the short term to improve traffic conditions. In line with our policy of involving the community in planning and implementing improvements, a working group is now being established jointly with the district boards concerned to work out practical solutions to local problems. The first meeting will be held early next month. The group will focus its attention on practical methods of improving traffic flow. These include, for example, how to manage better the road space available and how to improve public transport services. It will consider a wide range of traffic management measures, such as the better rescheduling of road maintenance programmes, the possibility of bus-only lanes and other measures to facilitate public transport. It will also consider measures to improve road safety and to speed up the recovery of broken down vehicles which may block the carriageway.

Town planning

Some Members have asked why the limited capacity of road links was not taken into account in planning the development of the northwest New Territories. The fact is that no one could have anticipated the rate of growth in traffic in that area. Our new towns were originally planned to be largely self-contained as far as possible. In reality, however, many people moving into the new towns retain their existing jobs and this has generated a much larger demand for commuter travel than could have been anticipated. In addition, the extension of the port has been phenomenal, with the throughput tripling in the past 10 years. In the same period, the number of vehicles crossing the border has increased 12 times. Even with the best planning expertise in the world, such developments could not have been foreseen.

Container vehicles

As regards container vehicle parking, we are addressing the problem through providing more land for 2 000 parking spaces in the coming year and encouraging terminal operators to allow overnight parking within their terminals. Container terminals 8 and 9 will have a combined capacity of backup areas of 52 hectares to relieve parking of container trucks. I also understand that the Port Development Board will examine what can be done to increase the

efficiency of container trucks so as to reduce the number of non productive trips, that is, without towing a container. This should relieve congestion on the Tuen Mun Highway.

Conclusion

In conclusion, Mr Deputy President, Hong Kong's unique success in its economic growth and increasing affluence also brings with its accelerated growth of vehicles and acute traffic problems. As I said before, and I will say that again, we cannot build ourselves out of traffic congestion. Congestion can only be contained and managed but not removed completely. The problem must be faced and recognized and dealt with realistically. Members can be reassured that we will do all we can to face the problem and tackle it positively and energetically in seeking and implementing both long-term solutions and achieving short-term relief. Thank you.

DEPUTY PRESIDENT: Mr WONG Wai-yin, do you wish to reply? Under the House rule you had 15 minutes for your speech including reply, which gives you less than one minute for your reply.

MR WONG WAI-YIN (in Cantonese): Mr Deputy President, first of all, I would like to express my gratitude to Members for their speeches and support on behalf of the 600 000-plus residents of Tuen Mun and Yuen Long. I would also like to register my disappointment at the Secretary for Transport's reply just now on behalf of our 600 000-plus residents. Apart from repeating what we have already heard, he failed to put forward any more concrete plan of improvement. Of course, he kept on prevaricating, saying that we should await the report of the relevant study which would be made public early next year. We have been waiting for such study reports for a very, very long time but still have to wait on and on. As Mrs Selina CHOW aptly put it, the Government liked to put things off, to put things off indefinitely.

Mr Michael LEUNG mentioned just now that we could not build ourselves out of congestion. I am not in a position to comment on this point of view. But I am perfectly sure that if we do not build more roads, the situation would become disastrous.

Mr Deputy President, the traffic problem in New Territories West can no longer be successfully addressed in a piecemeal manner as it has turned into a case of thrombosis. Insufficient trunk routes in the new towns are similar to insufficient blood vessels in a human body. Now that a main blood vessel often gets clogged up, if we are not going to do something about it, I am afraid that this human body will soon become wilted. When it comes to the transport problem, it means that the business and industrial development of our new towns may soon come to a halt and lose their competitiveness.

Mr Deputy President, "Tuen Mun, Tuen Mun, the door to congestion" is a pet phrase among residents of Tuen Mun and Yuen Long. The traffic congestion on Tuen Mun Highway has already come to a head and caused widespread indignation. What are we waiting for? The Secretary for Transport mentioned just now that he was in full agreement with the proposals put forward by Members. However, to our disappointment, the Government has yet to implement the relevant plans earnestly, given the fact that such a problem repeatedly occurs in the new towns but it is still dragging its feet.

I believe that many Members have already highlighted the crux of the problem. I will not go over the same grounds again because we have the same positions. The Secretary for Transport often stressed the problems concerning limited resources, priorities and costs. For example, the construction costs of the Route 3 project would be \$10 billion. Yet, if we calculate the costs in consideration of the population of Tuen Mun and Yuen Long, it will come to about \$140 *per capita*. Is it really a costly project? I will leave it to the Government to answer this question.

I would like to know where exactly the problem lies. I would like to invite the official who has the final say but yet to make up his mind and come to a decision to move into New Territories West. I am dead sure that he will give the green light to the construction project within one month.

Mr Deputy President, with these remarks, I thank Members for their support.

Question on the motion put and agreed to.

Adjournment and next sitting

DEPUTY PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Tuesday 1 December 1992.

Adjourned accordingly at sixteen minutes past Eight o'clock.

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

WRITTEN ANSWERS**Annex I****Written answer by the Secretary for Planning, Environment and Lands to Mr Henry TANG's supplementary question to Question 4**

Licensed restaurants are subject to regular inspection by Health Inspectors of the Municipal Councils at frequencies ranging from two to eight weeks depending on the hygiene condition of individual restaurants. Those that have attained the highest standard of hygiene will be inspected at the eight weeks intervals whereas those at the bottom of the scale will be inspected at an interval of two weeks. When nuisances are suspected or found, even more frequent inspections would be conducted as or when necessary. This selective inspection system is considered reasonable as it will ensure efficient use of the limited staff resources on the one hand, and maintenance of an acceptable general hygiene standard of restaurants on the other. Staff of the Environmental Protection Department (EPD), however, do not conduct regular inspections of licensed restaurants but only responded to complaints of environmental nuisances such as noise. With regard to air pollution control, the EPD will inspect the furnaces and chimney of a restaurant within three months after approval is given if necessary, and carry out follow-up inspections to ensure that the installation/alteration complies with the approved specifications.

Annex II**Written answer by the Secretary for Monetary Affairs to Mr Ronald ARCULLI's supplementary question to Question 5**

Mr ARCULLI will note from the appendix that, with the exception of the month of August, there is a clear downward trend in the number of flats sold as shown by the sale and purchase agreements lodged for registration with the Land Registry in the six months between May and October this year. The total number of flats sold in the third quarter amounted to 38 528, representing a decline of 21% from the total of 48 623 sold in the same period last year.

An index of the sale price of private domestic dwellings, derived from transactions registered with the Land Office, reveals that there was a slight decline, of about 1.35 percentage points, in the third quarter of this year (the index, last re-based at 100 in 1989, fell from 222 to 219 over the quarter).

WRITTEN ANSWERS—*Continued*

Appendix

Transaction lodged with the Land Registry

<i>1992</i>	<i>No of flats/units in Agreements for Sale and Purchase lodged</i>	<i>% increase compared with proceeding month</i>
May	19 169	-
June	14 496	-24%
July	13 014	-10%
Aug	13 262	+2%
Sept	12 252	-8%
Oct	8 905	-27%