

1 HONG KONG LEGISLATIVE COUNCIL -- 13 May 1992

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OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 13 May 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 CHIEF SECRETARY

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

THE FINANCIAL SECRETARY

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

THE ATTORNEY GENERAL

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

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

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

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

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE VINCENT CHENG HOI-CHUEN

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.

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 LEE WING-TAT

THE HONOURABLE GILBERT LEUNG KAM-HO

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

THE HONOURABLE FRED LI WAH-MING

PROF THE HONOURABLE FELICE LIEH MAK, O.B.E., J.P.

THE HONOURABLE MAN SAI-CHEONG

THE HONOURABLE STEVEN POON KWOK-LIM

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

THE HONOURABLE ZACHARY WONG WAI-YIN

ABSENT

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 RONALD JOSEPH ARCULLI, J.P.

DR THE HONOURABLE LEONG CHE-HUNG

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

PROF THE HONOURABLE EDWARD CHEN KWAN-YIU

THE HONOURABLE MICHAEL HO MUN-KA

THE HONOURABLE MISS EMILY LAU WAI-HING

THE HONOURABLE NG MING-YUM

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

IN ATTENDANCE

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

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

MR JOHN CHAN CHO-CHAK, L.V.O., O.B.E., J.P.

SECRETARY FOR EDUCATION AND MANPOWER

MR ALISTAIR PETER ASPREY, O.B.E., A.E., J.P.

SECRETARY FOR SECURITY

MR RONALD JAMES BLAKE

SECRETARY FOR WORKS

MR ANTHONY GORDON EASON, J.P.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

DR LEE SHIU-HUNG, I.S.O., J.P.

SECRETARY FOR HEALTH AND WELFARE

MISS DENISE YUE CHUNG-YEE, J.P.

SECRETARY FOR TRADE AND INDUSTRY

MR KWONG KI-CHI

SECRETARY FOR THE TREASURY

CLERK TO THE LEGISLATIVE COUNCIL

MR PATRICK CHAN NIM-TAK

Papers

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

Subject

Subsidiary Legislation L.N. No.

Dutiable Commodities (Amendment) Regulation 1992.....	123/92
Dentists (Registration and Disciplinary Procedure) (Amendment) Regulations 1992.....	124/92
Enrolled Nurses (Enrolment and Disciplinary Procedure) (Amendment) Regulation 1992.....	125/92
Medical Practitioners (Registration and Disciplinary Procedure) (Amendment) Regulation 1992.....	126/92

Midwives (Registration and Disciplinary Procedure) (Amendment) Regulation 1992.....	127/92
Nurses (Registration and Disciplinary Procedure) (Amendment) Regulation 1992.....	128/92
Merchant Shipping (Safety) (Cargo Ship Construction and Survey) (Ships Built on or after 1 September 1984) (Amendment) Regulation 1992.....	129/92
Merchant Shipping (Safety) (Cargo Ship Safety Equipment Survey) (Amendment) Regulation 1992.....	130/92
Merchant Shipping (Safety) (GMDSS Radio Installations) Regulation.....	131/92
Merchant Shipping (Safety) (Life-Saving Appliances) (Ships Built before 1 July 1986) (Amendment) Regulation 1992.....	132/92
Merchant Shipping (Safety) (Life-Saving Appliances) (Ships Built on or after 1 July 1986) (Amendment) Regulation 1992.....	133/92
Merchant Shipping (Safety) (Passenger Ship Construction and Survey) (Ships Built on or after 1 September 1984) (Amendment) Regulation 1992.....	134/92
Merchant Shipping (Safety) (Radio Installations	

Survey) (Amendment) Regulation 1992.....	135/92
Immigration (Places of Detention) (Amendment) (No. 2) Order 1992.....	137/92
Immigration (Treatment of Detainees) (Amendment) (No. 2) Order 1992.....	138/92
Immigration (Vietnamese Boat People) (Detention Centres) (Designation) (Amendment) Order 1992.....	139/92
Immigration (Vietnamese Boat People) (Detention Centres) (Designation) (Amendment) (No. 2) Order 1992.....	140/92
Immigration (Vietnamese Boat People) (Detention Centres) (Amendment) Rule 1992.....	141/92
Immigration (Vietnamese Boat People) (Detention Centres) (Amendment) (No. 2) Rule 1992.....	142/92
Immigration (Vietnamese Refugee Centres) (Designation) (No. 2) Order 1992.....	143/92
Immigration (Vietnamese Refugee Centres) (Departure Centre) (Amendment) (No. 2) Rule 1992.....	144/92
Revised Edition of the Laws (Correction of Errors) (No. 2) Order 1992.....	145/92

Chinese Permanent Cemeteries (Amendment)

Rules

1992..... 146/92

Public Revenue Protection (Rating) (Withdrawal)

Order

1992..... 147/92

Sessional Papers 1991-92

No. 74 -- Report of Changes to the Approved Estimates of Expenditure approved during the Third Quarter of 1991-92  
Public Finance Ordinance : Section 8

No. 75 -- The Government Minute in response to the Report of the Public Accounts Committee dated January 1992

Addresses

Report of Changes to the Approved Estimates of Expenditure approved during the Third Quarter of 1991-92

SECRETARY FOR THE TREASURY: Mr Deputy President, in accordance with section 8(8)(b) of the Public Finance Ordinance, I now table for Members' information a summary of all changes made to the approved estimates of expenditure for the third quarter of the financial year 1991-92.

Supplementary provision of \$4,088.1 million was approved of which \$2,741.8 million were for the Hospital Authority to facilitate its taking over of the management responsibility of public hospitals with effect from 1 December 1991. The supplementary provision was fully offset, whether by savings under the same or other

heads of expenditure, or by the deletion of funds under the Additional Commitments subheads.

During the period, non-recurrent commitments were increased by \$11.6 million, new non-recurrent commitments of \$190.3 million were approved, and approved non-recurrent commitments of \$25.7 million were revoked.

In the same period, a net decrease of 4 543 posts was approved. This was mainly attributable to the deletion of posts as a result of civil servants having opted for the Hospital Authority terms of service.

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

The Government Minute in response to the Report of the Public Accounts Committee dated January 1992

CHIEF SECRETARY: Mr Deputy President, the Government Minute in response to the 17th Report of the Public Accounts Committee on the accounts for the year 1990-91 is laid on the table today. The Minute reports the action taken, or about to be taken, by the Government upon the conclusion and recommendations contained in the report.

The Chairman of the Public Accounts Committee, Mr Stephen CHEONG, spoke in this Council on 19 February 1992 and raised some areas of concern. I would like to comment on the points raised.

On the subject of road damage and accidents caused by overloaded goods vehicles, measures to tackle overloading of goods vehicles are being further examined and will be put to the Transport Advisory Committee for advice. These measures aim at making owners of goods vehicles strictly liable for overloading such vehicles. The Government is also studying the experience from overseas countries where similar arrangements have been introduced. Depending on the advice of the Transport Advisory Committee, legislative amendments will be pursued.

I thank the Chairman for his commendation in respect of the new review cycles for the Public Assistance Scheme which have realized considerable savings on staff

resources. The Government will certainly continue to make efforts to identify savings in other areas without affecting its provision of essential services to the public.

In his address the Chairman referred to the computerization of urban land registration records in the Registrar General's Department. The Registrar General's Department, in conjunction with the Information Technology Services Department, will draw on the experience gained in the computerization of the urban land registration records project for the planning and implementation of future computerization projects, including the proposed computerization of the New Territories land records and the direct computer search facilities at solicitors' offices. Particular attention will be paid to the forecast of the workload. Estimates of future workload will be based on the results of the analysis of the actual workload in the past years, taking into consideration any other relevant factors. In addition, work manuals based on the experience gained in the urban computerization project will be compiled for the staff working on the new projects to follow.

With respect to the planning and design of computerization projects in various government departments, the Information Technology Services Department will continue to work closely with the user departments. Careful estimates of demand for the services and workload will be made and realistic objectives, operational performance targets and measures for the projects will be set. Proven and state-of-the-art system development methodologies currently adopted by the Information Technology Services Department will, among other things, ensure thorough analysis of the relevant business areas of the projects and facilitate more detailed workload forecast and performance standards specification by the user departments.

The resource branches of the Government Secretariat will take full account of the operational and technical advice given by the user departments and the Information Technology Services Department in assessing the financial implications of future computerization projects and forecast of workload, and will, where practicable, make every effort to ensure that adequate staff will be provided and retained for the smooth implementation of the projects.

On the subject of employing consultants, it is stipulated in government regulations and instructions that consultancy services can only be procured in certain cases. For example, where the service cannot be undertaken by government departments because the personnel qualified to undertake the work may not be available

in the Civil Service and the length of the assignment may not justify the Government recruiting or training the required staff. The Chairman's advice has nevertheless been brought to the attention of the officers responsible for the approval of expenditure and appointment of consultants.

Mr Deputy President, I would like to conclude by saying that the Controlling Officers are aware of their responsibilities, that all public funds have been spent with the authority of the Finance Committee and that I do not believe that any public funds have been wasted.

Oral answers to questions

DEPUTY PRESIDENT: In the absence of Mr Jimmy McGREGOR, we will take your question, Dr Samuel WONG.

Secondment of government staff to Provisional Airport Authority

1. DR SAMUEL WONG asked: Will the Government inform this Council:

(a) how many officers have been seconded from the Civil Service to the Provisional Airport Authority, what their ranks and their periods of secondment are; and

(b) how many of these officers have returned to the Civil Service?

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, a total of 42 government officers have been deployed to the Provisional Airport Authority (PAA) in 37 posts since its establishment in April 1990. Details of the ranks and periods of secondment of these officers have been tabled for Members' information. Of the 37 posts concerned five are in the directorate rank, 17 in professional and technical grades and 15 are for general grade and secretarial staff.

The present position is that, of the total of 42 officers deployed to the Provisional Airport Authority:

(a) 19 officers have already returned to posts in the Civil Service;

(b) two officers will return to the Civil Service by the end of May and 12 others will be reverting soon;

(c) one officer will remain with the Authority until May next year; and

(d) eight officers have resigned from the Civil Service and joined the PAA.

Civil servants working for the  
Provisional Airport Authority

Rank	Post (No.)	No. of Officers	Period
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Civil Aviation Department

Deputy Director of

Civil Aviation	1	1	1.4.90-24.5.92
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Chief Operations Officer	1	1	1.4.90-16.2.92
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Senior Operations Officer	3	1	1.4.90-23.2.92
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1	19.5.90-18.5.93
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1	19.6.90-11.2.92
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Operations Officer	3	1	1.4.90-14.2.92
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1	1.4.90-23.2.92
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1	13.8.90-16.2.92
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Senior Executive Officer	1	1	1.4.90-2.3.92
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Personal Secretary I	1	1	1.4.90-19.5.92
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Personal Secretary II	2	1	1.4.90-16.4.92
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1	1.4.90-28.1.92
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Typist	1	1	16.7.90-5.4.92
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Clerical Officer I	1	1	1.4.90-16.4.92
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Clerical Officer II	1	1	1.4.90-16.4.92
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Clerical Assistant	2	1	2.5.90-7.2.92
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1	1.4.90-16.4.92
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Civil Engineering Department

Government Engineer	1	1	1.4.90-17.12.91
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Chief Engineer 1 1 1.4.90-31.5.92  
 Senior Engineer 2 1 1.4.90-31.5.92  
                   1 4.9.90-4.5.92  
 Senior Geotechnical Engineer 1 1 10.9.90-31.5.92

Rank Post (No.) No. of Officers Period

Engineer 4 1 3.12.90-31.5.92  
           1 1.4.90-31.5.92  
           1 1.8.90-17.2.92  
           1 18.4.91-31.5.92  
 Senior Technical Officer  
   (Civil) 1 1 6.8.90-31.5.92  
 Technical Officer (Civil) 1 1 1.4.90-2.3.92  
 Technical Officer  
   (Geotechnical) 1 1 9.11.90-31.5.92  
 Personal Secretary I 1 1 12.11.90-31.5.92  
 Personal Secretary II 1 1 5.3.91-31.5.92  
 Clerical Officer II 1 1 1.4.90-1.7.90  
                   1 2.7.90-18.7.90  
                   1 16.7.90-31.5.92  
 Office Assistant 1 1 17.10.90-2.1.91  
                   1 2.1.91-2.4.91  
                   1 2.4.91-31.5.92

Others

Administrative Officer  
   Staff Grade C 1 1 1.4.90-4.91  
                   1 5.7.91-15.10.91  
 Senior Crown Counsel 1 1 1.4.90-6.91  
 Personal Secretary I 1 1 28.2.91-11.5.91  
 Chauffeur 1 1 27.2.91-25.4.91

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 37 42  
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DR SAMUEL WONG: Mr Deputy President, as less than 20% of the officers seconded to the Provisional Airport Authority (PAA) have opted or have been asked to stay on, does this mean that they have not been offered comparable terms of service by the PAA, so that they have to return to posts in the Civil Service?

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, the conditions of employment and the offers made to civil servants by the PAA are of course based on the PAA's own set of remuneration and conditions of appointment. As far as I know, all staff in the Civil Aviation Department have been made offers and it is, I think, in the final analysis, up to the individual officers to decide whether they wish to transfer across to the PAA or to remain with the Civil Service.

MR CHEUNG MAN-KWONG (in Cantonese): Mr Deputy President, will the Administration inform this Council whether it was for reason of the system or for personnel reason that the majority of officers seconded to the PAA have to return to posts in the Civil Service? Will this situation be improved so that the PAA can operate smoothly in the future?

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, I would not wish it to be taken that the secondment of staff is in any way hampering the efficient operation of the PAA. In general, secondment of staff is intended, in the initial phases, to allow the PAA to build up its own staff. As to staff who wish to transfer across to the PAA, they of course have this choice to do so. As the PAA builds up its own staff -- and in fact is rapidly doing so -- the position of civil servants will in the final analysis be for the individual officers to decide.

MR CHAN WAI-YIP (in Cantonese): Mr Deputy President, will the Administration inform this Council how many of the 19 officers who returned to posts in the Civil Service did so at their own request or as a result of dissatisfaction with the working environment of the PAA, and also of the change in remuneration and rank of the eight officers who have resigned from the Civil Service and joined the PAA?

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, I do not have the information readily available, I will supply a written reply. (Annex I)

Wild animals on exhibition

2. MR JIMMY MCGREGOR asked: Will the Government inform this Council:

(a) what standards of care are required for wild animals on exhibition in Hong Kong;

(b) how these standards compare with those of Britain or other major urban cities; and

(c) whether there are plans to review the Public Health (Animals and Birds) (Exhibitions) Regulations which were made in 1973?

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, the standards of care required for wild animals on public exhibition in Hong Kong are set out in the Public Health (Animals and Birds) (Exhibitions) Regulations and the Prevention of Cruelty to Animals Ordinance.

The statutory standards require that animals in a permanent exhibition should be provided with enclosures designed and constructed so that they can live comfortably, move around freely and receive adequate lighting and ventilation. They also require the adequate provision of food and water, adequate sanitation and a suitable programme of veterinary care. The cruel treatment of any animal is prohibited.

No one may hold a permanent exhibition of animals without a licence issued by the Director of Agriculture and Fisheries. In practice, the Director issues a code of standards with every licence setting out, in addition to the statutory requirements, measures and precautions the exhibitor must observe in the interests of the welfare of his animals and the safety of the public.

In general, the standards of care specified in Hong Kong are not as comprehensive as those in Britain, which has one of the highest overall standards of animal welfare in the world and indeed is pressing for a general improvement in standards within the European Community. However, in the opinion of the Director of Agriculture and Fisheries, the standards of care in Hong Kong compare favourably with those in other

cities in the region.

Having considered the advice of the Director, I believe that the existing standards of husbandry and veterinary care are generally satisfactory for wild animals on permanent exhibition in Hong Kong. Where the position appears to be less than satisfactory is in respect of the requirements for a suitable living environment, particularly in terms of space and opportunities for the animals to follow their normal behaviour patterns.

Mr Deputy President, there is a growing expectation among the general public that animals on permanent exhibition should be accommodated in conditions resembling their natural habitat where they may display as much as possible of their natural behaviour. Such conditions considerably enhance the educational value of the exhibit.

I take Mr McGREGOR's point that the Public Health (Animals and Birds) (Exhibitions) Regulations were made nearly 20 years ago and perhaps do not reflect the public expectation I have described. The Director of Agriculture and Fisheries is contacting reputable exhibitors of wild animals and law enforcement bodies in Britain and elsewhere to obtain more information about the standards of care they provide and how these are reflected in legislation. I intend to review our regulations in the light of the information collected and bring forward such amendments to them as may be necessary.

MR JIMMY McGREGOR: Mr Deputy President, I thank the Secretary for that constructive response. Will the Government undertake to examine the feasibility of constructing and operating a zoological garden in one of our country parks, seeking private funding to meet part of the cost and providing the Hong Kong public with the opportunity of seeing wild animals in their natural habitat? Will the Government therefore set up a professionally capable committee to consider this proposal and to recruit zoological and environmental experts?

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, I can assure Mr McGREGOR that the points he has made will be considered in the context of the review I have referred to in my principal reply.

MR ALBERT CHAN (in Cantonese): Mr Deputy President, Mr McGREGOR has already asked most of what I intend to raise in my follow-up question. I would like to point out that in paragraph six of her main reply the Secretary mentioned that there was a growing expectation among the public; and in the fifth paragraph, she mentioned that the position in respect of a suitable living environment appeared to be less than satisfactory. Further, the Secretary undertook to consider Mr McGREGOR's proposal of constructing a zoological garden. But as far as I know the Administration has in the past turned down the Urban Council's request for funds. Could the Secretary inform this Council whether the Administration will reconsider the funding arrangements so as to assist the Regional Council in examining the feasibility of constructing a zoological garden?

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, I am not aware of the offer that Mr CHAN refers to but I can assure him that the point he has made will also be considered in the context of the review.

MR MAN SAI-CHEONG (in Cantonese): Mr Deputy President, in view of the fact that recent criticisms by environmentalists centre mainly on animal rights and that more and more people are concerned about the protection of animals against cruelty, could the Secretary inform this Council whether the existing legislation has sufficient safeguard to ensure that spectators' expectations of animal rights will be taken care of not only in long exhibitions but also in temporary ones like circus shows in Hong Kong?

SECRETARY FOR ECONOMIC SERVICES: Mr Deputy President, in so far as animals in the circus are concerned, the exhibitor is also required to take out a licence issued by the Director of Agriculture and Fisheries and there are in fact detailed requirements imposed upon the exhibitor to ensure that the animals in the circus are looked after properly whilst they are in Hong Kong.

Labelling of medicine dispensed to patients

3. PROF FELICE LIEH MAK asked: As it is good medical practice to label all medicine given to patients, and also patients have the right to know the product they are receiving, will the Government inform this Council:

(a) what the Hospital Authority's policy concerning the labelling of medicine dispensed to patients is; and

(b) whether there are plans to implement a mandatory system of labelling medicine dispensed by doctors in private practice, if so, what the progress is?

SECRETARY FOR HEALTH AND WELFARE: Mr Deputy President, the Hospital Authority is in full support of the good medical practice to label all dispensed medicine. Labelling is now done through the Authority's computerized Pharmaceutical Supplies System or by other means.

Labelling of drugs is at present practised by five ex-government hospitals, 11 ex-subsided hospitals and one specialist clinic. Every effort is made to introduce labelling in other hospitals and specialist clinics.

Meanwhile, the Hospital Authority has plans to extend the Pharmaceutical Supplies System on a progressive basis. By 1994, the system will be installed in four other hospitals and nine specialist clinics.

As regards the labelling of medicine dispensed by doctors in private practice, I had in this Council some two years ago said that taking into account the advice given by the Pharmacy and Poisons Board, public education and professional co-operation would be the most practical approach. To this end, we have monitored the situation and are pleased that labelling of drugs is being increasingly practised by hospitals, doctors and pharmacists in the private sector. Professional associations have also taken steps to urge their members to adopt the practice in the interest of better patient care. Against this background, there is no plan to introduce statutory control.

PROF FELICE LIEH MAK: Mr Deputy President, I beg to disagree with the reply given by the Secretary for Health and Welfare, especially on the second point. On many

occasions hospitals have admitted patients with overdosage of medicine dispensed by private practitioners, the contents of which the hospital doctors know nothing about nor are the medicines labelled. Would the Secretary for Health and Welfare tell this Council on what basis he has come to the conclusion that the labelling process is progressing satisfactorily?

SECRETARY FOR HEALTH AND WELFARE: Mr Deputy President, as I have said in my reply, private practitioners have responded positively to our publicity efforts and are adopting increasingly the practice of drug labelling. Although there are no available statistics to quantify the extent to which drug labelling has been adopted by private practitioners, of the 11 private hospitals in Hong Kong, six have introduced labelling of dispensed medicine as a matter of routine, four will provide such service on requests from patients, and the remaining one will do so on instructions from the prescribing doctor. Medical and pharmaceutical associations have also provided us with valuable assistance in disseminating the relevant information and guidelines through their newsletters.

DR LAM KUI-CHUN: Mr Deputy President, in the same spirit as labelling dispensed drugs, does the Government or Hospital Authority agree in principle to returning laboratory test reports and x-ray films for patients' safe keeping, as practised by many doctors in the private sector?

DEPUTY PRESIDENT: Dr LAM, that question has nothing to do with the main question or answer. I will have to rule it out of order. Do you wish to ask another supplementary?

DR LAM KUI-CHUN: No, Mr Deputy President.

MR MOSES CHENG: Mr Deputy President, will the Administration advise this Council whether doctors in private practice are obliged to disclose the name of the drugs prescribed by them when demanded to do so by their patients?

SECRETARY FOR HEALTH AND WELFARE: Mr Deputy President, as a matter of consumer rights, the patients are at liberty to ask the doctor about the name of the drugs but there are some circumstances in which, because of medical considerations and in the interests of the patient, it may be inadvisable for the attending doctor to disclose the name of the drug. So this is a matter of clinical judgment and is also in the interests of the patient, which is the deciding factor.

MR JIMMY MCGREGOR: Mr Deputy President, what are these circumstances?

SECRETARY FOR HEALTH AND WELFARE: Mr Deputy President, the circumstances include, for example, the case of treatment of a patient suffering from cancer where it will be up to the attending doctor to decide whether or not it would be in the interests of the patient to disclose the name of the drug. Another example would be that when a placebo is given, it may not be necessary for the doctor to disclose the placebo that has been given to the patient. So this is really a matter to be considered by the attending doctor in the interests of the patient.

MRS RITA FAN: Mr Deputy President, following on from that answer, does it mean that if a patient asks a doctor for the prescription, that is, the medicine he has been given and the doctor refuses, then the patient might begin to think that he might have cancer or some other serious disease?

DEPUTY PRESIDENT: That is a matter of opinion. Secretary for Health and Welfare, do you want to add your opinion?

SECRETARY FOR HEALTH AND WELFARE: Mr Deputy President, as I have said in my original reply, the interests of the patient are the first consideration. The medical profession certainly takes into account the interests of the patient and the best way in which to advise the patient whenever it involves consideration of the appropriateness of disclosure of the information.

PROF FELICE LIEH MAK: Mr Deputy President, I am really appalled by the answer and

this looks like a very paternalistic way of practising medicine. Would the Secretary for Health and Welfare give a definite reply as to why it has taken so long to come to a system in which all drugs will be labelled in all hospitals, not only some hospitals?

SECRETARY FOR HEALTH AND WELFARE: Mr Deputy President, it is the intention of the Hospital Authority to extend the practice of drug labelling to all public hospitals either through the computerized pharmaceutical supply system or by other means. It is really a matter of resources. Although at the present moment no definite time schedule has been drawn up, every effort is made to achieve this goal. An assessment is being made by the Hospital Authority on the resource implications of installing the pharmaceutical supply system in all medical institutions managed by the Hospital Authority. And I have also mentioned that by 1994 there will be four more hospitals and nine specialist clinics introducing the computerized supply system, making a total of 20 ex-government and ex-subsidized hospitals and nine specialist clinics which will be introducing this system.

#### Costs of jailing illegal immigrants

4. MR MARTIN BARROW asked: Given that as at 16 April 1992, over 30% of the places in Hong Kong prisons were taken up by illegal immigrants, will the Government inform this Council:

(a) what the costs involved in keeping this imprisoned illegal immigrant population are; and

(b) what the Government's policy towards this problem is, particularly as regards reducing the heavy financial burden upon Hong Kong?

SECRETARY FOR SECURITY: Mr Deputy President, the average daily cost of maintaining a prisoner is \$416 at current prices. There are some 3 400 illegal immigrants in prison. Total maintenance costs are therefore about \$500 million a year.

Our policy objective is to deter illegal immigration. The legislation enacted in November 1990 sought to further this objective by denying illegal immigrants the opportunity to obtain work in Hong Kong; as did a revised prosecutions policy

introduced at the same time, whereby all illegal immigrants found at places of employment were to be prosecuted.

We have to balance the need to reduce overcrowding in the prisons and the need to deter people from coming here illegally. The new legislation and prosecutions policy have succeeded in reducing the illegal immigrant population in prison from a high of about 40% of the total prison population in September 1990 to about 30% at present, a reduction of over 1 200 persons.

MR MARTIN BARROW: Mr Deputy President, would the Secretary not agree that \$500 million is a huge sum, which presumably does not include the cost of manpower who could be better deployed relieving the police in boat people camps, and might the Secretary not consider immediate repatriation as an alternative for those whose only crime has been that they are illegal immigrants?

SECRETARY FOR SECURITY: Mr Deputy President, I agree that keeping people in prison is a very expensive business. But as I have said, we also need to have a deterrent against people coming here to work, and indeed against employers employing illegal immigrants, and we have to balance these things. In the final analysis, the question of who should be prosecuted is not a matter for me; it is a matter for the Attorney General.

MRS ELSIE TU: Mr Deputy President, since it takes \$500 million a year to take care of these prisoners, could the \$500 million not be used to beef up defences and, say, engage Gurkhas to make sure the border is safe?

SECRETARY FOR SECURITY: Mr Deputy President, I believe that we already devote very considerable resources to try to apprehend illegal immigrants. I do not think that there is any need for any greater devotion of resources to that. I am not happy with the number of illegal immigrants nor the amount of money being spent upon them but, as I have said, we do need to have a deterrent.

MR FRED LI (in Cantonese): Mr Deputy President, how many of the 3 400 illegal

immigrants now serving sentences here were prosecuted because of work offences? How many of them were repeat offenders for working illegally here?

SECRETARY FOR SECURITY: Mr Deputy President, that information, I regret to say, is not readily available. Certainly the majority of the illegal immigrants in prison are there for immigration or work offences. But some of them -- by no means all of them -- are there for other criminal offences. I regret that we do not have readily available figures on the percentages, nor on the proportion who are repeat offenders.

MR PANG CHUN-HOI (in Cantonese): Mr Deputy President, the average daily cost of maintaining a prisoner is \$416. Could the Secretary inform this Council how this figure was arrived at?

SECRETARY FOR SECURITY: Mr Deputy President, I will have to give a written answer to that question. The figure was supplied to me; I did not calculate it myself. (Annex II)

REV FUNG CHI-WOOD (in Cantonese): Mr Deputy President, could the Secretary inform this Council of the average term of imprisonment for an illegal immigrant? Will the Administration arrange to have them repatriated to their places of origin as soon as possible?

SECRETARY FOR SECURITY: Mr Deputy President, sentencing is of course a matter for the courts and although most are imprisoned for the offence of entering and remaining illegally in Hong Kong, there are others who are imprisoned for more serious criminal offences. But dealing purely with the offence of remaining illegally in Hong Kong, I believe that the normal sentence is 15 months.

MR MARTIN LEE: Mr Deputy President, does the Administration appreciate that pursuing this persistent policy of prosecuting and imprisoning people from China who seek employment in the work sites may indeed drive them from seeking such employment into doing some other work which is speedier and which is more difficult to detect, namely,

robbery of jewellery shops?

SECRETARY FOR SECURITY: Mr Deputy President, I do not believe that is the case. The very overwhelming majority of illegal immigrants who come to Hong Kong, we believe, are coming here for the prospect of work. There is no evidence that inability to obtain work is driving them to other forms of crime.

DR YEUNG SUM (in Cantonese): Mr Deputy President, I believe that many of those sent to prison are illegal workers. Illegal immigrants are repatriated once arrested but illegal workers have to serve prison terms. If the Administration believes that imprisonment will help reduce the number of illegal workers, will it consider imposing heavier penalties on employers for hiring illegal immigrants? Will this be more effective in reducing overcrowding in prison?

SECRETARY FOR SECURITY: Mr Deputy President, I cannot comment on the level of penalties; that is a matter for the courts. But I would say that we do also prosecute employers and the policy we have is not one-sided. We do aim both to prosecute those illegal immigrants who are working here and also the employers.

DEPUTY PRESIDENT: Mr Fred LI, I think you want to follow up your earlier question?

MR FRED LI (in Cantonese): Mr Deputy President, could the Secretary provide a written reply as to the figures I requested?

SECRETARY FOR SECURITY: Mr Deputy President, I will do my best to see what information we can provide on this. But as I have said, the information is not readily available and I am not sure whether it can be obtained in the form that Mr LI has asked for.

Market concentration

5. MR FRED LI asked (in Cantonese): In view of the increasing degree of market concentration in certain sectors of our economy (e.g. supply of petroleum, container

terminals, the banking industry, supermarkets, and so on) with the tendency of certain sectors being controlled by a few corporations, which may affect the interests of consumers, will the Government inform this Council:

(a) whether it is aware of the problem;

(b) what measures are being taken or contemplated by Government to alleviate the problem; and

(c) under what circumstances the Government will consider introducing legislative control to deal with the situation?

SECRETARY FOR TRADE AND INDUSTRY: Mr Deputy President, in answer to questions (a) and (b), let me state from the outset that market concentration in itself does not necessarily give rise to adverse effects to consumers. Where it does and where consumers are unable to protect themselves, the Government has provided various forms of regulatory framework that are best suited to the requirements of the particular sector.

For example, there are sectors in the economy which have to be operated at a sufficiently large scale to attain optimum use of resources and achieve economies of scale. There are also others where it is in the wider interest of the community to provide for competition in a controlled fashion in order to ensure that consumers receive an efficient and reliable service at a reasonable price. In respect of these sectors, the interests of consumers are given due regard in the regulatory frameworks put in place by the Government which, amongst other things, limit the maximum permissible rate of return on capital employed and specify the minimum standards of services to be provided.

Any artificial injection of competition into these sectors through government intervention would not automatically lead to cheaper products or better quality services or the more efficient use of resources. Furthermore, such action might run the risk of the Government having to protect the new entrants until they become established, if ever. Such protection can only be provided at taxpayers' expense.

Sectors that require to operate in a restricted competitive environment are the exception rather than the norm. The vast majority of goods and services suppliers in Hong Kong operate in a competitive market without any government intervention;

and market mechanism and consumer choice are the most important factors for guaranteeing a free market. In this connection, consumer education efforts have an important role to play. In Hong Kong, the Consumer Council is charged with the responsibility of protecting and promoting the interests of consumers. Towards this end, the Consumer Council has conducted and will continue to conduct regular price surveys as well as monitoring any monopolistic tendency in trade practices.

In respect of question (c), I believe it would be difficult to generalize the sort of circumstances under which the Government may need to consider introducing legislative control. Each case is best dealt with on its own merits.

MR FRED LI (in Cantonese): Mr Deputy President, what criteria does the Administration adopt in determining which sectors in the economy, and I quote from the Secretary's reply, "have to be operated at a sufficiently large scale" and which others have to be subject to, and I quote again, "competition in a controlled fashion"? According to the Administration's categorization, which sectors do the four trades that I mentioned in my question, namely supply of petroleum, container terminals, the banking industry and supermarket, fall into?

SECRETARY FOR TRADE AND INDUSTRY: Mr Deputy President, as a general rule, the Government considers factors like the nature and quality of the goods or services involved, the number of suppliers in the market, the ease or otherwise of new entrants to the market, the availability of choices to consumers, the collective bargaining power of consumers and the consumers' dependability on any single supplier in assessing whether certain trade practices are restrictive and harmful to the consumers if they are not controlled or regulated by the Government. The four examples quoted in the question relate to the supply of petroleum, the provision of container terminals, the banking industry and the provision of supermarkets. The Government believes that all these four sectors operate in a competitive environment in Hong Kong. There are no artificial or deliberately imposed barriers to new entrants. They do not fall into our definition of industries or sectors that require government regulation.

MR TIK CHI-YUEN (in Cantonese): Mr Deputy President, in free economies like the United Kingdom and the United States, anti-monopoly committees have been established which

would take actions to curb the trend should market concentration reach a certain level. Has the Administration considered setting up a similar committee?

SECRETARY FOR TRADE AND INDUSTRY: Mr Deputy President, at this stage the Government has no intention to set up any anti-trust mechanisms. As I said in my principal reply, most trade and commercial activities in Hong Kong operate in a highly competitive environment. Any government intervention may distort market forces and introduce market imperfections. It is only in areas where the provision of essential services is involved and where consumers are not expected to be able to protect themselves that the Government should step in; and in respect of these areas the Government has already in place various kinds of schemes of control agreements. In addition, as I said in my principal reply, the Consumer Council also plays a very important role in helping to promote and protect the interests of consumers.

MR WONG WAI-YIN (in Cantonese): Mr Deputy President, the Secretary mentioned in his reply that the relevant sectors were operating in a highly competitive environment. Take petroleum as an example; there are often complaints that the oil companies are quick in lifting prices but slow in cutting them. Whenever there was an oil crisis, all the oil companies would instantly lift their prices, but no reduction was made even long after the crisis was over. What measures does the Administration have to prevent the oil companies from adopting the practice of "quick increase and slow decrease" in oil prices?

SECRETARY FOR TRADE AND INDUSTRY: Mr Deputy President, the Consumer Council monitors the situation of pump prices in Hong Kong very closely. The work it has been doing in this regard involves comparing the trends in the Singapore posted price, the import price statistics which various government departments provide and the local list price for a number of major oil products. As far as I know, the Consumer Council also holds regular discussions with the major oil companies in Hong Kong to ensure that fluctuations in the international prices for oil are reflected in a timely manner in our retail market in Hong Kong.

MR MARTIN LEE: Mr Deputy President, has the Administration conducted any survey or study as to whether monopolistic tendencies exist in the market place; if not, why

not?

SECRETARY FOR TRADE AND INDUSTRY: Mr Deputy President, as far as I know, there has been no such survey conducted by the Government so far in respect of whether monopolistic tendency exists in Hong Kong or not. There are certain natural sectors in which new entrants to the market would find it difficult because of inherent difficulties, for example, economies of scale and efficient use of resources. So, in that sense, there are monopolistic type of sectors in Hong Kong but all these are under one form of statutory control or another.

MR MAN SAI-CHEONG: Mr Deputy President, in the United States there are anti-trust laws to combat monopolistic tendencies. In the United Kingdom the Director General of Fair Trading is to oversee consumer protection legislation. Will the Government inform this Council whether there are similar or relevant government officials or mandatory mechanisms to safeguard fair dealing and fair competition in addition to the Consumer Council?

SECRETARY FOR TRADE AND INDUSTRY: Mr Deputy President, in respect of those sectors which are under schemes of control negotiated between the Government and the companies concerned and in respect of those operations under franchises, there are statutory and sometimes non-statutory mechanisms under which the monopolistic trade practices are regulated and under the firm control of the Government.

MR LEE WING-TAT (in Cantonese): Mr Deputy President, a number of companies now take up over half of the market share of the commodity market. For example, there are only three container terminal companies providing container-handling services, one of which has taken up over half of the market share. Will the Administration inform this Council what ways there are to enhance the competitiveness of this market such that monopolistic tendencies can be curbed and price rises avoided?

SECRETARY FOR TRADE AND INDUSTRY: Mr Deputy President, I believe this question falls

more appropriately within the economic services programme area. I defer to my colleague, the Secretary for Economic Services.

DEPUTY PRESIDENT: Are you able to answer, Secretary for Economic Services?

SECRETARY FOR ECONOMIC SERVICES: Yes, Mr Deputy President. I disagree that there is not a competitive environment in the provision of container terminal facilities. We have in Hong Kong three major container terminal operators. In addition, we have a very large number of mid-stream operators who handle some 25% of Hong Kong's throughput. There is therefore a relatively wide choice of service, standards and price.

MR JIMMY MCGREGOR: Mr Deputy President, given the nature of the answers from the Secretary and since the original question assumes that there is a problem that needs to be addressed, will the Secretary confirm that there is in fact, from the government position, no such problem existing, that is to say, the problem of a few corporations controlling and presumably exploiting a single market does not exist?

SECRETARY FOR TRADE AND INDUSTRY: Mr Deputy President, I can so confirm.

Effect of settlement on superstructures located on reclaimed land

6. MR GILBERT LEUNG asked (in Cantonese): Will the Government inform this Council:

(a) whether any administrative guidelines or rules on geotechnical considerations have been laid down for the erection of superstructures on reclaimed land so as to prevent the structures thereon from being affected due to the settlement of the fill; what specifications are detailed in these guidelines and rules, if any;

(b) what time schedule was specified between the completion of reclamation works and the commencement of the construction of permanent superstructures in the major reclamation developments undertaken in the territory in the past;

(c) when the reclamation project for the airport island at Chek Lap Kok is

expected to be completed; how soon after the completion of reclamation works that superstructures will be erected; and

(d) what precautionary measures will be taken by the Administration to assure that the airport will not be affected by the settlement of the fill?

SECRETARY FOR WORKS: Mr Deputy President,

(a) I will reply in parts to match the four-part question. Building (Construction) Regulations apply to superstructures whether they are on original ground or on new or old reclamations. Under these regulations it is necessary when designing structures to be located on reclaimed land, to forecast the settlement of the reclaimed area and to take this into account in the structural design. Specified design stresses must not be exceeded, taking into account any effects arising from settlement of the reclaimed area.

(b) In the past, and now, commencement of piled foundations for buildings follows almost immediately after completion of reclamation works. Non-piled structures such as roads and drains are normally constructed on conventional reclamation about two years after completion to minimize settlement. This period can however be substantially reduced by using special methods to accelerate reclamation settlements.

(c) The airport island reclamation will be formed by removal of the soft marine mud, and controlled backfilling with stable materials. The Airport Master Plan, by sequencing the reclamation, together with the careful location of the various structures, has developed a scheme which minimizes delays from settlement and enables the early construction of structures required for airport opening. It should be noted however that the main terminal building, the railway station, control tower and associated structures will be erected on Chek Lap Kok Island itself, not on the reclamation. Only the runways and other structures such as the maintenance area and air cargo handling area, will be within the reclaimed area.

Areas of reclamation will be monitored by measuring instruments and survey techniques which will enable engineers to compare settlements with those predicted.

This will determine the earliest possible commencement of construction work within those areas.

(d) Settlements will be within the acceptable tolerances for the types of structure, including the runways, to be built on the areas of the reclamation.

MR GILBERT LEUNG (in Cantonese): Mr Deputy President, will the Secretary inform this Council of the extent of settlement the Administration would expect within the reclaimed area after the airport core programme projects are completed?

SECRETARY FOR WORKS: I do not have design settlements, Mr Deputy President. This is quite a detailed question because the area is very extensive. I could perhaps undertake to supply a supplementary answer in writing. (Annex III)

DR SAMUEL WONG: Mr Deputy President, in respect of the airport island or platform reclamation could this Council be informed of the difference in costs on a cubic metre basis between the method as just mentioned by the Secretary for Works and the more conventional method of reclamation, and what the difference in time for proper settlement will be between these two methods of reclamation?

DEPUTY PRESIDENT: The first part of the question, I think, is probably outside the ambit of the answer, but do you have the answer to hand, Secretary for Works?

SECRETARY FOR WORKS: Mr Deputy President, all of the methods which are taken into account and have been taken into account for the design not only of the reclamation for Chek Lap Kok but also of other reclamations within the airport core programme are conventional in the sense that they are all engineered methods. If there is further information required, this could be supplied in writing.

MR ALBERT CHAN (in Cantonese): Mr Deputy President, there have been changes as to the methodology and time schedule of the reclamation for Chek Lap Kok following the tendering exercise lately; does this mean that they are a result of errors in the

initial design or arrangements? And will the Administration account for it?

DEPUTY PRESIDENT: Does that relate to reclamation Mr CHAN?

MR ALBERT CHAN (in Cantonese): Yes, it does.

SECRETARY FOR WORKS: Mr Deputy President, I think we are, with respect, straying outside the ambit of the original question. I will only say that the original design for the Chek Lap Kok island does stand up to scrutiny in the light of current events.

Written answers to questions

Payment of commission for the sale of Government's ex-quarters

7. MR HOWARD YOUNG asked: Will the Government inform this Council what is the reason for the arrangement to pay commission to estate agents in the Government's sale of its ex-quarters, given that vendors are not always charged commission in a sale of property, particularly in a sellers' market?

SECRETARY FOR THE TREASURY: Mr Deputy President, the practice on the part of estate agents in the charging of commission varies. In addition to charging the purchaser, some agents also require a commission from the vendor.

Sales agents were selected following a tender exercise in which the level of commission was considered alongside many other factors, including the scope of service to be provided, marketing strategy and the agent's expertise and reputation. Provision had to be made for the payment of commission because failure to provide for this could result in an unsatisfactory response. The requirement to pay a commission is only one of the many factors taken into account in assessing the tenders from these estate agents.

Resumption of land at Wing Lok Street

8. MR LAU CHIN-SHEK asked: With regard to the Government's acquisition of land at

Wing Lok Street, Central District under the Crown Lands Resumption Ordinance for redevelopment by the Land Development Corporation, will the Government inform this Council of the following:

(a) the amount of funds set aside by the Government to compensate those affected by this redevelopment scheme;

(b) whether the rehousing expenses for affected tenants have been included in the amount of compensation; and

(c) whether the Government will recover the compensation expenses from the Land Development Corporation?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr Deputy President, the compensation and ex-gratia allowances for resumption and clearance in this case are estimated at \$400 million. Funds are available from the Capital Works Reserve Fund Head 701 -- Land Acquisition.

The amount of compensation includes ex-gratia removal allowances for eligible affected tenants. Separately, the Land Development Corporation will make arrangements in relation to the rehousing of eligible domestic tenants.

All acquisition and clearance costs met by the Government, including ex-gratia payments, will be reimbursed by the Corporation, which will also pay the Government a service charge.

#### Efficiency of the Civil Service

9. MR HOWARD YOUNG asked: Will the Government inform this Council:

(a) whether comparison has been made between the ratio of the Hong Kong Civil Service to its population vis-a-vis those of other administrations; and

(b) what other indicators are used by the Government to assess the efficiency of its Civil Service and how does Hong Kong compare with other administrations according to these indicators?

SECRETARY FOR THE CIVIL SERVICE: Mr Deputy President, based on published information the ratio of public employees to total population of some countries is as follows:

Japan	4.3%	(1988)
France	13.7%	(1988)
United Kingdom	9.4%	(1987)
United States	9.4%	(1988)
West Germany	9.1%	(1987)

Source: Handbook on Japan's Civil Service -- Statistical Overview 1991, National Personnel Authority, Japan.

In Hong Kong the strength of the Civil Service, if staff who have left the service to join the Vocational Training Council and the Hospital Authority were included, would be 191 936 at 1 January 1992. The ratio of the Civil Service to population would then be 3.3%.

Other information available for purposes of comparison is the share of government expenditure in Gross Domestic Product. The figures for Hong Kong and some Asian countries are as follows:

1990

Thailand	13.4%
Korea, Republic of	15.9%
Hong Kong	16.4%
Singapore	22.3%
Malaysia	29.7%

Source: Asian Development Outlook 1991, Asian Development Bank

However, these figures do not necessarily enable a comparison to be made between the relative efficiency of the administrations. Administrations differ, among other things, in the scope of their activities and services, and constitutional systems. For example, in Japan, public employees include the self-defense force and employees of local governments. These personnel and services, and the various levels of local governments have no equivalents in Hong Kong. There is therefore no common basis for meaningful comparison.

We do of course compile statistical information on the Hong Kong Civil Service, as a means to monitor developments. For example, one indicator is the ratio between the cost of the Civil Service and total government recurrent expenditure. In the past 10 years the ratio has varied from 42% in 1981-82, to 46.8% in 1990-91, to 42.3% in 1991-92. We also rely on a variety of measures to assess and monitor the efficiency of the Civil Service. For example, the Director of Audit conducts value-for-money audits to ascertain that prudence and economy have been exercised in the management of public funds and that good value has been obtained from expenditure that has been incurred. The Director's report covering the results of such audits is submitted to this Council. The Council's role is also vital in the adoption and monitoring of the Government's budget, the creation of directorate posts in the Civil Service and as a watchdog generally on performance of the public sector.

While comparisons are difficult and could be invidious, it is fair to say that the Hong Kong Civil Service is recognized internationally as efficient and dedicated, and as a factor contributing greatly to the efficiency and prosperity of Hong Kong. This reflects among other things the consistent efforts of this Council and the Administration in controlling the growth and increasing the efficiency of the Civil Service.

Land for public rental housing in Kowloon

10. MR LEE WING-TAT asked: Having regard to the amount of usable land that will become available with the relocation of the airport and the reclamation in West Kowloon area, will the Government inform this Council whether it will allocate more land in Kowloon District than the 38 hectares earmarked under the Metroplan, for the development of public rental housing estates, and if not, what are the reasons?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr Deputy President, Metroplan is a framework for more detailed planning and is not a detailed plan in itself. Amounts of land for various uses referred to in Metroplan should therefore be regarded as indicative and not precise at this stage.

Against this background, the amount of land designated for public rental housing development in Kowloon under Metroplan takes the future West Kowloon Reclamation and

the relocation of the Kai Tak Airport into account. However, the recently completed West Kowloon Reclamation Study has since shown that more land is likely to be available for public rental housing development in the area than was envisaged under the Metroplan studies. The exact amount will be established through further detailed planning studies.

Similarly, the exact amount of land available for public rental housing development on the existing Kai Tak Airport site when redeveloped will be assessed in the South-East Kowloon Development Statement Study which will start soon and be completed in mid-1993. The assessment will take account of Metroplan objectives.

#### General Teaching Council

11. MR NG MING-YUM asked: Given that the Preparatory Committee on the Code for the Education Profession of Hong Kong has recommended the setting up of a General Teaching Council to enforce the Code for the Education Profession of Hong Kong, will the Government inform this Council what progress has been made, since the completion of the Code in late 1990, for the establishment of such a Council?

SECRETARY FOR EDUCATION AND MANPOWER: Mr Deputy President, following completion in October 1990 of the Code for the Education Profession of Hong Kong, the Preparatory Committee held consultations with teachers on the Code itself and on the Committee's recommendation for setting up a General Teaching Council to enforce the Code. The Committee submitted a formal proposal for a General Teaching Council to the Education Commission in December 1991. The Commission is now considering the proposal and is expected to make known its views and recommendations in its Fifth Report to be released shortly.

#### School Management Initiative

12. MR NG MING-YUM asked: With regard to the "School Management Initiative", will the Government inform this Council:

(a) how many schools have joined the scheme and how many more will join in the coming school year;

(b) in what ways the Government has encouraged active participation of parents and teachers in school management; what help the Government can offer to those teachers who find difficulties in playing an effective role in school management due to their workload and their position as employees of the school and to those parents who find similar difficulties due to their inexperience in school management; and

(c) how the Government evaluates the progress and effectiveness of the scheme since its introduction in this school year?

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

(a) The first batch of 21 aided secondary schools joined the School Management Initiative (SMI) scheme in September 1991. A general invitation has been issued to schools to join a second batch beginning in September 1992. Returns are not expected until mid-July. However, 10 government schools have already indicated their interest.

(b) The Government has encouraged active participation of parents and teachers in school management by providing such opportunities in the constitution of the management committee under the SMI. The Education Department, with the help of an Advisory Committee on the SMI, has developed a wide range of reference materials to help schools, parents and teachers adapt to SMI. It will be up to parents and teachers to choose suitable representatives who are able and willing to devote their time and experience to further their constituents' interests on the management committee. The overall question of teachers' workload is a separate issue which is being considered by the Education Commission.

(c) The first batch of 21 schools will experience the full effects of operating under the SMI during 1992-93, when they will be given greater flexibility in the spending of their grants. The Education Department plans to evaluate the progress and effectiveness of the scheme by means of questionnaires and interviews during this period. Preliminary findings are expected to become available towards the end of 1993.

## Prevention of armed robberies

13. MRS PEGGY LAM asked: Will the Government inform this Council whether appropriate actions or measures have been planned or taken to minimize and prevent the occurrence of armed robberies since the motion debate on law and order in Hong Kong was held in this Council on 11 March this year; if so, how effective such actions or measures have been; and if not, what are the reasons?

SECRETARY FOR SECURITY: Mr Deputy President, we have taken a number of steps to combat the occurrence of armed robberies. In the case of crimes involving criminals from China, we have improved co-operation with China through better communications and liaison.

At present, this is achieved through the Interpol of which both China and Hong Kong are members, regular border liaison and visits between the Hong Kong police and mainland public security officers. However, the Commissioner of Police has just returned from a liaison meeting in China at which cross border crime including firearm offences was discussed. It was agreed to step up liaison through stationing a Chinese liaison officer in Hong Kong and strengthening communication between the Hong Kong police and the Guangdong and Shenzhen Interpol Liaison Offices to co-ordinate action in urgent cases. Such measures should be very useful in enabling more efficient exchange of information on the movement of criminals and the influx of firearms across the border.

Liaison with China must, of course, be reinforced by effective action by the police within Hong Kong. This includes more high profile patrols around premises prone to armed robberies such as goldsmith and jewellery shops. This has met with some success. The number of robberies involving firearms and pistol-like objects has decreased from 61 in January to 32 in April this year. The police have apprehended some of the culprits involved in armed robberies. The robberies in Tai Kok Tsui which took place in April and in Sham Shui Po in March are cases in point. During the first four months of 1992, eight persons have been arrested for robberies involving genuine firearms and 27 for robberies using pistol-like objects. A further eight persons have been charged with a variety of serious offences, including robbery and attempted murder.

To ensure that police equipment is adequate to tackle criminals who are becoming

increasingly sophisticated, the police have recently completed a comprehensive review of their arms and ammunition. A number of improvements have been suggested, including more effective ammunition and revolvers, speed loading equipment and a new style of holster. These suggestions are now being considered urgently within the Administration.

Litter and waste caused by illegal immigrants taking refuge in remote areas

14. MRS PEGGY LAM asked: Regarding recent incidents involving large numbers of illegal immigrants taking refuge in remote areas in Hong Kong, will the Government inform this Council what measures are in place to protect the environment of the areas concerned from pollution, and which departments are responsible for clearing up those sites after the departure of the illegal immigrants?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr Deputy President, the clearance action taken by the Government in connection with the recent arrest of illegal immigrants in the Tin Shui Wai area is an example of how pollution in places where such people are found is dealt with. The measures are essentially concerned with the removal of litter and construction waste.

Prior to their arrest on 4 May 1992, 13 structures occupied by the illegal immigrants were demolished by the contractor employed by the Buildings and Lands Department and the debris and litter was disposed of at the Pillar Point landfill, under supervision by the Civil Engineering Department, which manages the landfill.

Under the Public Health and Municipal Services Ordinance, (Cap 132), the Regional Services Department can abate sanitary nuisances and clear obnoxious matter arising from the unauthorized occupation of such areas. No such action was necessary at Tin Shui Wai however.

Law subject in secondary school curriculum

15. MR JAMES TO asked: Will the Government inform this Council whether the Administration will consider including the subject of law in the curriculum of secondary schools and as a subject for the Hong Kong Certificate of Education

Examination; if so, what specific plan is in the pipeline and if not, why not?

SECRETARY FOR EDUCATION AND MANPOWER: Mr Deputy President, the Education Department has considered the possible inclusion of the subject of law into the curriculum of secondary schools and as a subject for the Hong Kong Certificate of Education Examination on a number of occasions in the past. It has concluded that the idea should not be pursued for the time being, because:

(a) secondary education is intended to be general in nature. To include law as an independent and examination subject would introduce an element of specialist knowledge which is not considered to be appropriate;

(b) the present secondary school curriculum is already full. New subjects can only be added by taking out existing ones;

(c) law or knowledge of the legal system is already covered in the formal curriculum. At the secondary level, Economics and Public Affairs, Government and Public Affairs as well as Social Studies cover the basics of law and order, the legal system, law enforcement and the judiciary. At the Advanced Supplementary level, the newly introduced Liberal Studies provides a more in-depth treatment of similar concepts; and

(d) pupils not taking these subjects will have the opportunity to become exposed to law and the legal system through extra-curricular activities and school civic education programmes. These are outlined in the "Guidelines on Civic Education in Schools" produced by the Education Department.

Bill of Rights Ordinance

16. MR HENRY TANG asked: Will the Government inform this Council whether the Government has assessed the implications of the Bill of Rights Ordinance in the context of the Government collecting information on members of the public who are not involved in any criminal or civil actions?

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr Deputy President, the Government is aware

that the Bill of Rights Ordinance may have implications for the collection of information concerning members of the public. The Law Reform Commission is examining existing Hong Kong law relating to privacy in general. In particular, it will report on whether legislative or other measures are required to provide protection against, and to provide remedies in respect of undue interference with the privacy of the individual, including matters concerning the acquisition, collection, recording and storage of information and opinions pertaining to individuals by any persons or bodies. A comprehensive report on the issues by a sub-committee of the Law Reform Commission will be released for public consultation and comments in a few months' time. Meanwhile, a government work group under the chairmanship of the Secretary for Home Affairs is studying the appropriate approach to be adopted for data protection, and will have regard to the findings of the Law Reform Commission in its deliberation.

#### Localization of the Civil Service

17. MR HENRY TANG asked: Will the Government inform this Council of the progress in implementing the policy on the localization of the Civil Service?

SECRETARY FOR THE CIVIL SERVICE: Mr Deputy President, under the localization policy suitably qualified local candidates are given preference for appointment. The availability of suitably qualified local officers is also taken into account when considering renewal of contract for overseas officers.

The localization policy has been broadly successful since its introduction in the 1950s: the percentage of overseas officers in the Civil Service as a whole has shrunk from about 4.4% in 1952 to about 1.4% at present. Local officers now fill 63.2% of the directorate posts and 76.9% of the Senior Management/Professional posts (including the Hospital Services Department staff who have been seconded or transferred to the Hospital Authority). At the very top, local officers also fill half of the Head of Department and Policy Secretary posts.

In the Legal Department, local officers constitute about 14% at the directorate level and 52% at the non-directorate level. In the police, they constitute 29% at Assistant Commissioner to Commissioner level, 40% at Superintendent level and 77% at the Inspectorate level. In the Administrative Service, they constitute 62% at directorate level and 85% at the Administrative Officer and Senior Administrative

Officer level.

Practical measures have been drawn up in the Legal Department, the Police Force and the Administrative Service to accelerate the progress of localization. A Double-ladder Scheme and a Development Posts Scheme have been introduced in the Legal Department to groom local non-directorate officers and enhance their suitability for advancement. In the Police Force steps are being taken to identify suitable local officers for career development training courses to develop their potential for further advancement. In the Administrative Service overseas officers have for a number of years now generally been required to retire on reaching the age of 57. This step was introduced to avoid the need to retire a larger number of senior overseas officers closer to 1997.

Localization of the Civil Service is therefore taking place in accordance with the rate at which qualified and suitable local candidates become available. Localization has been and will continue to be a gradual process, during which the high quality of Hong Kong's administration will be maintained.

Illegal immigrant mothers

18. MR TAM YIU-CHUNG asked: Will the Government inform this Council:

(a) how many of the 56 illegal immigrant mothers (II mothers) repatriated to mainland China in January 1988 have been granted exit permits by the Chinese authorities and have already come to Hong Kong;

(b) what are the places of origin of those II mothers who have not yet obtained their exit permits; and

(c) what steps will be taken to assist those II mothers who have not yet obtained their exit permits so that they can come to Hong Kong at an earlier date?

SECRETARY FOR SECURITY: Mr Deputy President, a total of 70 illegal immigrant mothers were removed to China in early 1988. To date, 34 of them have returned to Hong Kong on one-way permits issued by the Chinese authorities. The remaining 36 mothers who have yet to obtain their one-way permits come from Haifeng, Shanmei, Puning, Huiyang, Chaoyang, Panyu and Dongguan.

During the past few years, we have on many occasions raised the matter with the Chinese authorities with the aim of ensuring the early return to Hong Kong of the mothers involved. We will continue to do so, and we hope they will get their permits in the near future.

#### Complaints against hospitals

19. MR WONG WAI-YIN asked: Will the Government inform this Council of the following:

(a) whether Government and subvented hospitals have complaints offices and laid down procedures for handling public complaints; and whether the channels and procedures for handling public complaints in these hospitals have changed since the establishment of the Hospital Authority;

(b) how the Hospital Authority monitors the handling of public complaints by various hospitals; and

(c) the number of complaints received by government and subvented hospitals in each of the past five years with a breakdown of these figures by nature of complaints?

SECRETARY FOR HEALTH AND WELFARE: Mr Deputy President, the answers are as follows, seriatim:

(a) Before Hospital Authority took over the management of public hospitals in December 1991, public complaints received directly by government hospitals as well as those channelled through the media were handled by the former Hospital Services Department in accordance with a set of established procedures. As for subvented hospitals, public complaints were handled by the individual governing bodies following their own internal guidelines. In both cases, the overriding objective was to address promptly the grievances expressed and to redress where appropriate or desirable in order to improve patient services.

With the integration of all public hospitals under the management of Hospital Authority in December 1991, procedures have been revised to provide for a two-tier mechanism. Officers are designated in hospitals and in Head Office to ensure that public complaints are handled promptly and thoroughly. Furthermore, there is a

Public Complaints Committee comprising members of the HA Board and other non-officials to consider appeal cases with impartiality and independence;

(b) Apart from the mechanism for appeals cited in the answer to part (a) above, Hospital Authority further monitors the situation through its Patient and Community Relations Committee. This Committee again comprises members of the HA Board and non-officials. Its role is to detect persistent trends relating to a certain hospital or specialty and to identify any underlying problems. To this end, individual hospitals are required to submit monthly statistical reports on public complaints for analysis and collation; and

(c) Statistics on public complaints received by government hospitals were kept by the former Hospital Services Department only from July 1989. Similar statistics are not available for subvented hospitals. A breakdown by nature of the complaints is at Annex. Meanwhile, it is the intention of Hospital Authority to develop a more detailed analysis on the nature of these complaints in future according to the hospitals, specialties, service units or personnel involved.

#### Annex

#### Statistics on public complaints received by government hospitals

July-Dec 1989

Nature of Complaints	Number of Complaints
Medical	174
Nursing	61
Others	214
Total	449

Jan-Dec 1990

Nature of Complaints	Number of Complaints
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Medical	308
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Nursing	111
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Others	477
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Total	896
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Jan-Nov 1991

A total of 1 206 public complaints were received by government hospitals before Hospital Authority took over in December 1991. Analysis on the nature of these complaints is still in progress and no separate breakdown is available.

Post-retirement employment of senior civil servants

20. MR CHEUNG MAN-KWONG asked: In view of public concern over the employment of high ranking civil servants by the private sector upon their retirement or resignation, will the Government inform this Council of the following:

(a) the number of civil servants of directorate rank or above who applied for permission to work in the private sector upon retirement over the past five years; the numbers of applications approved and rejected respectively; the number of applications approved with conditions attached; and the reasons for those applications which were rejected;

(b) what posts were held prior to retirement by those whose applications were approved; the nature of business of the private organizations concerned and the posts to be held by these officers; whether they will continue to receive pensions during their employment by the private sector;

(c) whether consideration has been given to the possibility that these former civil servants will intentionally or inadvertently make use of the information obtained while in the Civil Service to facilitate the business development of the private organization concerned, thus leading to the leakage of government information; if so, what measures the Government will adopt to prevent this from happening so as to safeguard public interests; and

(d) why the requirement to apply for permission to work is not extended to those civil servants who resign of their own accord?

SECRETARY FOR THE CIVIL SERVICE: Mr Deputy President, the answers to the questions raised are as follows:

(a) In the five years up to the end of March 1992, a total of 119 applications from 76 retired directorate officers were referred to the Advisory Committee on Post-retirement Employment for consideration. Three applications were not recommended, 31 were approved with the imposition of a sanitization period of between one and six months and the others were approved without conditions.

(b) The retired directorate civil servants include Administrative Officers, directorate staff of the disciplined services and chief professionals in the medical, engineering, legal and accounting fields. Some of them have joined financial and trading enterprises as non-executive directors whilst others have entered private practice after retirement. They continue to receive their civil service pensions during any employment in the private sector.

(c) The Advisory Committee takes into account the applicant's previous involvement in policy formulation in considering whether this would benefit the prospective employer in an improper manner or enable the applicant to gain an unfair advantage over his competitors. Views are sought from the respective Policy Secretaries for each application on the question of conflict of interest. Consideration is also given to whether the proposed employment will result in the officer having an undesirable public profile. Conditions, such as a sanitization period or sanctions against dealing with specific companies, may be imposed as necessary. The provisions of the Official Secrets Acts continue to apply to an officer after his retirement.

(d) The Hong Kong pensions legislation provides the Governor with the power to suspend a retired officer's pension if the pensioner takes up any post-retirement employment within two years (five years for an officer at Secretary rank or above) after his retirement and without the prior permission of the Governor. The Hong Kong pensions legislation does not cover officers who resign from the service. However the provisions of the Official Secrets Acts apply to these officers after they resign from the service.

DEPUTY PRESIDENT: Mrs Rita FAN, you had a question down which I approved exceptionally under Standing Order 17.

MRS RITA FAN: Mr Deputy President, I appreciate very much your exceptional approval. I note that the Chief Secretary wishes to make a statement on the overall situation of the Government's emergency response to the rainstorm. I believe that would offer Members an opportunity to ask some supplementary questions after the statement. In view of that and in order that the Council's time can be used efficiently I propose to withdraw my original question.

DEPUTY PRESIDENT: Chief Secretary, you may make your statement now, and I would just remind Members that under Standing Order 20, they may put short questions to the Chief Secretary for the purpose of elucidating the statement.

Statement

Government's emergency response to the rainstorm on Friday, 8 May 1992

CHIEF SECRETARY: Mr Deputy President, the rainstorm which struck Hong Kong last Friday morning was one of the most intense ever recorded in the territory. In some places, particularly the north western part of Hong Kong Island over 300 mm or 12 inches of rain fell within nine hours. The storm brought in its wake serious flooding, more than 175 landslips, disruption to our transport and communication system and tragically, the loss of five lives. I am sure that I speak for every Member of this Council and indeed for the whole community, when I say that the families and friends

of those who died have our deepest sympathy. We share the sadness of the families and we offer our condolences on the loss of their dear ones.

I think that most people understand that the intensity and severity of the storm could not have been foreseen and that government departments were faced with a very difficult situation. Having said this, I accept that the storm and its aftermath have revealed some shortcomings in our emergency response mechanisms. We have moved quickly to identify the problems and I can assure Members that we are determined to learn the lessons. I am not in a position today to announce the full details of how we intend to improve our Emergency Response System but I can explain in general terms what we are planning to put in place.

We have to improve our arrangements so that we are able to respond quickly and effectively to emergencies but those responses must be sufficiently flexible so that we avoid alarming the public or disrupting the daily life of the community unnecessarily. Clearly, we do not want a full scale emergency response every time we get heavy rain but we do need a system which alerts government departments so that they are ready to respond once it becomes clear that we are facing a major problem. Our aim, therefore, is to have a two-stage arrangement.

Firstly, the Royal Observatory will trigger the first stage on the basis of their forecasting of heavy rainstorms likely to affect Hong Kong. It will involve a series of warnings to government departments so that their emergency teams and responses can be put in place quickly. This is essentially a matter of priming the departments and making sure staff are in position and alert.

But on most occasions heavy rainstorms do not develop into the sort of inundation we saw last Friday, and it will clearly be a mistake to trigger a full emergency response every time. It is also clear that it is impossible to forecast accurately the level of rainfall. We believe, therefore, that the second stage of the Rainstorm Alert System should be triggered by the actual rainfall levels being recorded throughout the territory. As we will have already alerted relevant government departments before the rain starts to fall, this system will ensure that we are ready to respond quickly and flexibly once it becomes clear that we might have to contend with serious difficulties. And it is at this stage that the public will be given early and clear advice on how to respond.

We are still working on the details of these arrangements but our aims are clear,

we want a system based on objective triggers which leads to a high state of preparedness by government departments. We also need to respond flexibly so that the public is given clear and appropriate advice. I can assure Members that we shall complete this work very quickly and make known the details as soon as possible.

One of the difficulties last Friday was that the storm struck between 6 and 7 am and disrupted schooling arrangements. The Director of Education was concerned to avoid a situation in which some children set off for their schools in difficult conditions only to find the schools closed or that there was no teacher there to take care of them. But our response must be sufficiently flexible to cope, even if the emergency arises at the most inconvenient or difficult time. The Director of Education is already working on a plan to achieve this and is getting maximum co-operation from the schools. Following on from the events of last week, we are agreed that it is better to err on the side of caution and close the schools. This will certainly be our guideline in the future.

I would now like to inform Members of the present position of the more than 175 landslips which occurred during the storm. The great majority of these posed no serious threat of injury or disruption to communications. Our works department moved quickly to deal with the landslips, particularly those affecting public safety and communications. More than 100 geotechnical staff, scores of other engineers and more than 100 contractors' staff were deployed, and remedial measures set in hand. All except four or five roads were cleared within 24 hours, and the protective work for many of the landslips was carried out in the same period.

The highest 24 hour rainfall occurred in the northwest corner of Hong Kong Island where Baguio Villas is situated. I can assure those residents of Baguio Villas who have had to leave their homes that we are doing everything we can to complete our geotechnical work as quickly as possible. Safety must be the highest priority but of course we understand the unhappiness and disruption faced by residents of the affected blocks. By the end of this week we will be in a position to make a decision on whether it is safe for residents to return to Block 26.

We are also carrying out a thorough investigation into the causes of the landslip behind Baguio Villas and are drawing up detailed plans for the remedial work necessary to ensure the long-term stability of the slope. Full information on both will be made public as soon as it is available.

I would now like to brief Members on the current situation on our Slope

Stabilization Programme. This programme began in 1976 and we have prepared a catalogue of about 10 000 slopes which might require stabilization works. We have completed our investigation work on 4 300 of these and have determined that only 880 require work. This work has been completed. The investigation programme will proceed at the rate of about 1 000 each year and of course we have given priority to those which are most likely to need work. We have also given priority to clearing especially vulnerable slopes in squatter areas, and once again, we have made important progress. In 1982 we estimated that up to 60 000 squatters were at risk from potentially unstable slopes. Almost all these areas have been cleared and the squatters have been provided with alternative better housing. We now estimate that there are fewer than 2 000 squatters remaining on especially vulnerable terrain and all of these people will be rehoused by early 1994 at the very latest.

The Government's Catalogue of Slopes is to be made available for public inspection in the Geotechnical Information Unit and the Department is pleased to provide advice to anyone who needs it. In conclusion, Mr Deputy President, I think we can all agree that we have made enormous progress on this issue over the last 16 years. The limited damage from last Friday's storm is proof that the \$1 billion of public money invested in slope stabilization works has been well spent.

DEPUTY PRESIDENT: I would remind Members that under Standing Order 20 questions are to be short for the purpose of elucidating the statement.

MRS RITA FAN: Mr Deputy President, the Chief Secretary said in his statement that he is not in a position to announce the response system today but he would want to make the details known as soon as possible. Would he elucidate on how soon is "as soon as possible", in particular in relation to schooling and examination sites for the candidates?

CHIEF SECRETARY: Mr Deputy President, my understanding from the Director is that he is, as I have said in my statement, getting very good co-operation from the schools. One of the key issues which he has to address and which he needs co-operation for is to ensure that the schools can look after children who arrive at school early in the morning before any warnings of closures have happened. I understand that schools are very co-operative over this and that they are simply now finalizing the details.

So I would expect to have answers to Mrs FAN's question within days rather than weeks.

MR HUI YIN-FAT: May I ask the Administration if it is still the official view that parents should decide whether to send their children to school during a rainstorm or that it is the official responsibility of the Director of Education to do so?

CHIEF SECRETARY: Mr Deputy President, I do not think that one can make hard and fast rules. I believe it is of course the judgment of the Director of Education as to whether schools should be open or closed. Even, however, if schools are left open, in the final analysis the parents do have responsibility to decide whether in their opinion they wish their children to miss a day at school than to go to school. The primary responsibility to the opening and closing of the schools is a matter for the Director of Education.

MR MARTIN LEE: Mr Deputy President, does the Administration now accept that the Education Department was at fault on Friday morning in not having announced suspension of school earlier than it did?

CHIEF SECRETARY: Mr Deputy President, I do not think it is time at this stage to make recriminations or judgments about whether decisions taken at that time were correct or incorrect. The problem at that time was that the Director of Education did not have in place a system which we are now very anxious to have in place to ensure that if children did go to school and schools were subsequently closed there would be someone there to look after them. That was his primary concern and that, I think, governed much of his decision making on that morning. What we must have is a system which gives him the flexibility to make decisions that he can close the schools even though some children have already set out for school in the sure knowledge that those arriving at school will be looked after; but if it is in the interest of other children that they should not go, then they should not. That is the system we need to have in place; that is what we are working towards now.

MR VINCENT CHENG (in Cantonese): Mr Deputy President, will the Administration

consider enlisting the help of taxi operators and make good use of their radio contacts so as to keep the Administration informed of the road situation in bad weather at the first opportunity?

CHIEF SECRETARY: I would certainly consider that helpful suggestion.

MRS ELSIE TU: Mr Deputy President. since the warning system depends on the Royal Observatory, does the Royal Observatory have the equipment instrumentally possible to foretell the weather; and if not, will this be provided?

CHIEF SECRETARY: Mr Deputy President, my understanding from the Director is that he has very good equipment; and indeed we have been spending more money recently in the Royal Observatory. But it is simply not possible, even with the best equipment in the world, to forecast the sort of rainfall that is going to fall in a particular place at a particular time. No amount of technology, no amount of resources can produce that degree of accuracy. And I think under the circumstances that is why we are moving towards a system which is intensely practical, that is, it is based firstly on a warning system and then upon a situation on the ground, that is, how much rain is actually falling in a particular place which will give us very good warning that trouble is about to happen; and we can make that judgment rather than relying on somebody's judgment as to whether we are going to have heavy rain or not.

Motions

PENSIONS (INCREASE) ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:

"That with effect from 1 April 1992 Schedule 2 to the Pensions (Increase) Ordinance be amended -

RESOLVED that with effect from 1 April 1992 Schedule 2 to the

Pensions (Increase) Ordinance be amended -

(a) in Part I by adding -

"25. The adjusted pension under paragraph 24 may be further increased by 11.54%.";

(b) in Part II by adding -

"24. The adjusted pension under paragraph 23 may be further increased by 11.54%.";

(c) in Part III by adding -

"24. The adjusted pension under paragraph 23 may be further increased by 11.54%.";

(d) in Part IV by adding -

"23. The adjusted pension under paragraph 22 may be further increased by 11.54%.";

(e) in Part V by adding -

"22. The adjusted pension under paragraph 21 may be further increased by 11.54%.";

(f) in Part VI by adding -

"21. The adjusted pension under paragraph 20 may be further increased by 11.54%.";

(g) in Part VII by adding -

"20. The adjusted pension under paragraph 19 may be further increased by 11.54%.";

(h) in Part VIII by adding -

"19. The adjusted pension under paragraph 18 may be further increased by 11.54%.";

(i) in Part IX by adding -

"17. The adjusted pension under paragraph 16 may be further increased by 11.54%.";

(j) in Part X by adding -

"16. The adjusted pension under paragraph 15 may be further increased by 11.54%.";

(k) in Part XI by adding -

"15. The adjusted pension under paragraph 14 may be further increased by 11.54%.";

(l) in Part XII by adding -

"14. The adjusted pension under paragraph 13 may be further increased by 11.54%.";

(m) in Part XIII by adding -

"13. The adjusted pension under paragraph 12 may be further increased by 11.54%.";

(n) in Part XIV by adding -

"12. The adjusted pension under paragraph 11 may be further increased by 11.54%.";

(o) in Part XV by adding -

"11. The adjusted pension under paragraph 10 may be further increased by 11.54%.";

(p) in Part XVI by adding -

"10. The adjusted pension under paragraph 9 may be further increased by 11.54%.";

(q) in Part XVII by adding -

"9. The adjusted pension under paragraph 8 may be further increased by 11.54%.";

(r) in Part XVIII by adding -

"8. The adjusted pension under paragraph 7 may be further increased by 11.54%.";

(s) in Part XIX by adding -

"7. The adjusted pension under paragraph 6 may be further increased by 11.54%.";

(t) in Part XX by adding -

"6. The adjusted pension under paragraph 5 may be further increased by 11.54%.";

(u) in Part XXI by adding -

"5. The adjusted pension under paragraph 4 may be further increased by 11.54%.";

(v) in Part XXII by adding -

"4. The adjusted pension under paragraph 3 may be further increased by 11.54%.";

(w) in Part XXIII by adding -

"3. The adjusted pension under paragraph 2 may be further increased by 11.54%.";

(x) in Part XXIV by adding -

"2. The adjusted pension under paragraph 1 may be further increased by 11.54%.";

(y) by adding -

#### "PART XXV

Applicable to a basic pension based on  
a salary in force from 1 April 1991  
to 31 March 1992 inclusive

1. The basic pension may be increased by 11.54%."

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

The Government's declared policy is to maintain the original purchasing power of civil service pensions, including pensions payable under the Widows and Orphans Pension Scheme and under the Widows' and Children's Pensions Scheme. This is achieved by periodic pension adjustments in line with the movements in the Consumer Price Index (A).

During the latest review period from 1 April 1991 to 31 March 1992, the moving annual average of the Consumer Price Index (A) rose by 11.54%.

It is therefore proposed that a pension increase of 11.54% be awarded with effect from 1 April 1992. The total cost of increasing all pensions by this percentage is estimated to be \$198.29 million for a full year. This is a statutory charge which may be authorized by resolution of this Council under the appropriate Ordinances.

Mr Deputy President, I beg to move.

Question on the motion proposed, put and agreed to.

#### WIDOWS AND ORPHANS PENSION (INCREASE) ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:

"That the Schedule to the Widows and Orphans Pension (Increase) Ordinance be amended by adding -

"52. The pension calculated on the total contributions up to 31 March 1991 inclusive plus the total increases in pension up to 31 March 1992 may be increased by 11.54% with effect from 1 April 1992.

53. The pension calculated on contributions from 1 April 1991 to 31 March 1992 inclusive may be increased by 11.54% with effect from 1 April 1992."."

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

My remarks on the previous motion, explaining the resolution on the Pensions (Increase) Ordinance, apply equally to this motion.

Mr Deputy President, I beg to move.

Question on the motion proposed, put and agreed to.

#### TELEPHONE ORDINANCE

THE SECRETARY FOR ECONOMIC SERVICES moved the following motion:

"That the Schedule to the Telephone Ordinance be amended in Part VI by repealing item 5 and substituting -

"5. In respect of international toll free calls -

(a) Registration \$1,000

(b) Service \$4,500 per annum

(c) International telephone call contained in the terms referred to in section 25 of the Ordinance Such charges as are

(d) Alteration of the terminating number schedule \$90"."

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

Section 26(1) of the Telephone Ordinance provides that the Hong Kong Telephone Company may charge for its services at rates which do not exceed the limits shown in the Schedule to the Ordinance. Under section 26(2) of the Ordinance, this Council can amend the Schedule by resolution.

The Company wishes to expand its international toll-free service. The Schedule to the Ordinance needs to be amended to reflect the new scope of service.

The expanded service will allow local residents to dial international toll-free numbers, such as the "1-800" numbers in the United States, from Hong Kong. The companies which offer these toll-free numbers will pay for the call charges, and will be billed in Hong Kong. They will also be required to pay registration and annual service charges, as well as a separate one-off charge if they wish to change numbers.

The proposed maximum charges for the revised service are shown in the resolution before this Council. We have examined these charges and consider them to be a fair reflection of the costs of providing the service.

My Deputy President, I beg to move.

At this point, Mr David LI declared interest as deputy chairman of the Hong Kong Telecommunications Limited.

Question on the motion proposed, put and agreed to.

First Reading of Bills

POST OFFICE (AMENDMENT) BILL 1992

EMPLOYMENT (AMENDMENT) (NO. 4) BILL 1992

CRIMES (AMENDMENT) BILL 1992

LAND REGISTRATION (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

POST OFFICE (AMENDMENT) BILL 1992

THE SECRETARY FOR ECONOMIC SERVICES moved the Second Reading of: "A Bill to amend the Post Office Ordinance."

She said: Mr Deputy President, I move that the Post Office (Amendment) Bill 1992 be read a Second time. The Bill remedies some existing deficiencies in the Post Office Ordinance.

First, the Bill extends the definition of "Postmaster General" (PMG) to cover

the Deputy Postmaster General so that the latter can carry out the PMG's statutory duties if necessary.

Secondly, the Bill authorizes the PMG to make departmental rules allowing the destruction of undeliverable mail.

Thirdly, outdated provisions prohibiting the posting of lottery tickets or documents relating to lotteries, irrespective of whether or not the lottery is legal, are amended to restrict their application purely to illegal lotteries. Similarly obsolescent provisions prohibiting the posting of "coins or gold or silver bullion" are repealed.

Fourthly, the Bill removes inconsistencies in the penalties set for different offences under the Ordinance, and, where necessary, increases the level to maintain the deterrent effect.

I move that the debate on this motion be now adjourned.

Question on the adjournment proposed, put and agreed to.

#### EMPLOYMENT (AMENDMENT) (NO. 4) BILL 1992

THE SECRETARY FOR EDUCATION AND MANPOWER moved the Second Reading of: "A Bill to amend the Employment Ordinance."

He said: Mr Deputy President, I move that the Employment (Amendment) (No. 4) Bill 1992 be read a Second time.

The Bill seeks to plug certain loopholes in the principal Ordinance by removing ambiguities and inadequacies in the provisions relating to severance and long service payment.

First, we propose to improve the protection accorded to an employee in the calculation of severance and long service payments. At present an employee's entitlement is subject to a maximum equivalent to the total amount of his last 12 months' wages. For purposes of calculating severance and long service payment, an employee on sick leave, maternity leave or leave arising from work injuries during

his last 12 months of employment is deemed to have been paid full wages. Clause 2 of the Bill proposes that this deeming provision be expanded to cover situations where an employee has been put on short time work or has taken no-pay sick leave or no-pay maternity leave. It also proposes that the provision, which at present applies only to employees being dismissed or laid off, should be extended to cover employees who resign because of ill health or old age and dependants of an employee who dies in service.

Secondly, we propose to remove the "cross-harbour" provision as a ground for severance payment. At present, an employee whose employment is terminated as a result of his employer moving the workplace across the harbour is entitled to severance payment. However, the transport infrastructure in Hong Kong is now such that a geographical demarcation based solely on crossing the harbour has become quite anachronistic. Clause 4 of the Bill removes the "cross-harbour" provision. However, if a change of workplace causes hardship to an employee to an extent sufficiently serious to establish a constructive dismissal under common law, the employee may still have a claim to severance payment.

Thirdly, we propose that an employee should not be deprived of his entitlement to severance or long service payment merely because he has given notice of resignation. Under existing provisions, an employee who is dismissed other than for serious misconduct is eligible for severance or long service payment. Sections 31D(1)(c) and 31T(1)(c) of the Ordinance provide that an employee shall be taken to be dismissed, and may claim severance or long service payment, if he terminates the contract without notice or payment in lieu because of certain conduct on the part of his employer, for example, ill treatment. However, if an employee in this situation inadvertently gives notice of resignation despite his being entitled to leave without notice, severance or long service payment will not be payable. Clauses 5 and 9 of the Bill rectify this anomaly.

Fourthly, we propose to remove the ambiguities in the existing provisions on setting off of retirement scheme payment against severance or long service payment. To ensure that employers will not have to pay double benefits, clauses 7 and 11 put it beyond doubt that payment of severance or long service payment can be set off by retirement scheme payment and vice versa.

The existing provisions of the long service payment scheme provide that where an employee dies in service, his statutory beneficiaries, namely his spouse, children

or parents in that order, shall be entitled to the long service payment due to him. If the employee is also covered by a retirement scheme, the retirement scheme payment can be set off by the long service payment. Problems arise when the nominated beneficiary of the retirement scheme is not the same person as the statutory beneficiary of the long service payment. To ensure that under such circumstances the statutory beneficiary of a deceased employee will have first call on the long service payment and that an employer will not have to pay double benefits, clause 12 of the Bill proposes that the trustee of the relevant retirement scheme shall return to the employer the amount of retirement benefits equivalent to long service payment and pay the balance, if any, to the nominated beneficiary.

Fifthly, we propose to plug a loophole in the existing provisions whereby an unscrupulous employer can escape criminal sanction for withholding severance payment by filing a claim at the Labour Tribunal. Clause 8 provides that once the Labour Tribunal has ruled that severance payment is payable, payment should be made by the employer within 14 days unless another time limit is set by the Tribunal. An employer who fails to make severance payment accordingly shall be guilty of an offence.

Mr Deputy President, I move that the debate on this motion be now adjourned.

Question on the adjournment proposed, put and agreed to.

## CRIMES (AMENDMENT) BILL 1992

THE SECRETARY FOR SECURITY moved the Second Reading of: "A Bill to amend the Crimes Ordinance."

He said: Mr Deputy President, I move that the Crimes (Amendment) (No. 2) Bill 1992 be read a Second time. The Bill seeks to amend section 160 of the Crimes Ordinance, which concerns the offence of loitering, so as to make the provision compatible with the Bill of Rights Ordinance.

The present section 160, subsection (1) empowers police officers to require an accused person to give an explanation of suspicious behaviour if he is found loitering in a public place or in the common parts of any building. This requirement risks infringing the presumption of innocence guaranteed by Article 11(1) of the Bill of

Rights Ordinance, and the right of an accused person not to be compelled to confess guilt.

This problem will be removed by the proposed amendment. Any failure of a suspect to give a satisfactory explanation of his presence and behaviour will only form part of the evidence in the case; it will not, as it does in the present offence, constitute a part of the offence. The amendment will also require the prosecution to prove "intent" on the part of the accused to commit an arrestable offence. We are confident that this formulation will be compatible with the Bill of Rights Ordinance.

The loitering offence has been an effective means of crime prevention, and we need to retain it as such. The ability of the police to prevent and combat crime should not be affected adversely by the proposed amendment.

Mr Deputy President, I move that the debate on this motion be now adjourned.

Question on the adjournment proposed, put and agreed to.

#### LAND REGISTRATION (AMENDMENT) BILL 1992

THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS moved the Second Reading of: "A Bill to amend the Land Registration Ordinance."

He said: Mr Deputy President, I move the Second Reading of the Land Registration (Amendment) Bill 1992. The amendments are required to update certain provisions in the Land Registration Ordinance and to improve the operation of the Land Registry.

The first proposal of the Bill deals with "lis pendens", a term which means pending action. Outdated references relating to the term in the Ordinance are removed and the definition is provided.

The second proposal seeks to allow more flexibility in the interpretation of the term "floating charge" by deleting its definition. This approach is consistent with that adopted by the ad hoc group of this Council which studied amendments to the Conveyancing and Property Ordinance.

At present, title to land is unaffected by a will until the testator dies and

there is a grant of probate. It is not necessary to register any will with the Land Office. The third proposal of the Bill therefore seeks to remove all references to wills from the Ordinance and its subsidiary legislation. Wills already deposited in the Land Office, which number about 150, will be handed over to the Registrar, Supreme Court for custody.

Fourth, the Bill proposes that a person commits an offence if he wilfully or maliciously destroys, removes or defaces Land Office documents. This supplements the existing offence for dishonestly destroying or defacing such documents. The penalties for the two offences are set at the same level as for corresponding offences in the Companies Ordinance, that is, a fine and imprisonment for the first offence and imprisonment for the second.

The last proposal relates to the power to make regulations. In order to reduce the workload of the Executive Council in considering routine and technical matters in respect of the Ordinance, we propose that the powers to make regulations under section 28(1) and to amend the Second Schedule of the Ordinance under section 30(2) be vested in the Land Officer instead of the Governor in Council.

Mr Deputy President, I move that the debate on this motion be adjourned.

Question on the adjournment proposed, put and agreed to.

#### BANKRUPTCY (AMENDMENT) BILL 1992

Resumption of debate on Second Reading which was moved on 11 March 1992.

Question on the Second Reading proposed.

MRS MIRIAM LAU: Mr Deputy President, the purpose of this Bill is to make provision for the setting up of a separate Official Receiver's Office as part of the reorganization programme of the Registrar General's Department. The Legislative Council ad hoc group formed to study the Bill sought to be satisfied that this proposal is justified.

According to the Administration, the Registrar General's Department is responsible for a range of disparate and unrelated activities. That the department

exists in its present form is due largely to historical reasons. Reviews of the department, including an outside consultancy, concluded that the functions and objectives of the department should be rationalized to facilitate improvement to cope with the rapidly growing demand brought about by the expansion of the economy. A series of changes have already been effected in the last two years to implement the recommendations, and the establishment of the Official Receiver's Office now proposed under the Bill is an integral part of the exercise. The ad hoc group was given to understand that further aspects of the reorganization programme would include the setting up of the Companies Registry and the Land Registry as separate entities, and the transfer of the Legal Advisory and Conveyance Section of the Land Division to the Buildings and Lands Department. On completion of these moves, the Registrar General's Department would cease to exist.

Specifically on the proposal to set up the Official Receiver's Office, the Administration assured Members that it would enhance the efficient administration of the public insolvency service at no extra cost to the public coffer. A major management change is to organize the workload of the Office by individual cases instead of functional processes so that a single officer will be responsible for the overall management of a case, thereby improving management control and accountability. This whole case management approach will help improve efficiency and enable the Official Receiver to respond more effectively to the demand for services.

The Administration also assured Members that with the establishment of the new Official Receiver's Office, greater emphasis will be placed on business management, and the feasibility of farming out more cases to private sector practitioners will be explored. Having studied the executive summary and Chapter 7 of the Coopers and Lybrand Consultancy report, the ad hoc group is satisfied that the reorganization proposal involving the Official Receiver's Office is in line with the recommendations of the consultants and is appropriate and supportable.

Mr Deputy President, I would like to mention here that the ad hoc group has received a late submission on the Bill from the Hong Kong Society of Accountants. The submission urges a greater private sector involvement in the handling of insolvency cases thereby enabling the department to concentrate more on its public sector roles. In this regard, the Society has proposed amendments to sections 285 and 194 of the Companies Ordinance (Cap 32) and has urged for urgent attention to be given to the matter. The two sections in question deal with the handling of unclaimed assets by the Official Receiver's Office and the appointment of the Official

Receiver as the provisional liquidator on the making of a winding-up order. We are given to understand that the Administration has been in correspondence with the Society on the various suggestions. The proposals to amend sections 285 and 194 of the Companies Ordinance have been referred some time ago to the Sub-committee on Insolvency Law Reform of the Law Reform Commission for consideration, and will be dealt with separately outside the context of the present Bill. May I invite the Secretary for Monetary Affairs to elaborate on and confirm this point.

Mr Deputy President, in his speech moving the Second Reading of this Bill on 11 March 1992, the Secretary for Monetary Affairs said that the proposed changes in the management structure and working practices of the new Official Receiver's office would allow for a more efficient and streamlined operation. I am sure the business community and members of the public who may be affected by the service of the Official Receiver are keen to see that the promised improvements will be delivered. With these remarks, I support the Bill.

SECRETARY FOR MONETARY AFFAIRS: Mr Deputy President, I am grateful to Mr Peter WONG, Mrs Miriam LAU and other Members of the ad hoc group for their careful consideration of, and support for, the Bill.

Mrs Miriam LAU has identified the purpose of the Bill and I will confine myself to confirming that the Administration believes that the proposed changes will result in a more efficient and streamlined operation.

Mrs Miriam LAU has also referred to a recent submission by the Hong Kong Society of Accountants seeking greater private sector involvement in the handling of corporate insolvencies. We have been in dialogue with the Hong Kong Society of Accountants on this proposal and the Registrar General will pursue the matter further with the Society. I can confirm that the amendments to certain sections of the Companies Ordinance proposed by the Society will be considered by the Law Reform Commission's Sub-committee on Insolvency Law Reform in its review of the law relating to insolvency.

I shall, in the Committee stage, be moving a minor technical amendment to one of the consequential amendments contained in the Bill. This has the support of the ad hoc group.

Mr Deputy President, with these comments, I beg to move.

Question on the Second Reading of the Bill put and agreed to.

Bill read the Second time.

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

#### STAMP DUTY (AMENDMENT) BILL 1992

Resumption of debate on Second Reading which was moved on 29 January 1992.

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

Bill read the Second time.

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

#### Committee stage of Bills

Council went into Committee.

#### BANKRUPTCY (AMENDMENT) BILL 1992

Clauses 1 to 7 and 9 to 13 were agreed to.

Clause 8

SECRETARY FOR MONETARY AFFAIRS: Mr Chairman, I move the amendment as set out in the paper circulated to Members.

It is proposed to amend clause 8 which contains consequential amendments to the Supreme Court Ordinance (Cap. 4). The purpose is to take into account the newly introduced paragraph (ix) of section 9(2).

Members of the ad hoc group have examined this technical amendment and indicated

their support for it.

Mr Chairman, I beg to move.

Proposed amendment

Clause 8

That clause 8 be amended -

(a) by renumbering it as clause 8(1);

(b) by adding -

"(2) Section 9(3) is amended by repealing "(viii)" and substituting "(ix)".

(3) Section 9(4) is amended by repealing "(viii)" and substituting "(ix)".

Question on the amendment proposed, put and agreed to.

Question on clause 8, as amended, proposed, put and agreed to.

STAMP DUTY (AMENDMENT) BILL 1992

Clauses 1 to 8 were agreed to.

Council then resumed.

Third Reading of Bills

THE ATTORNEY GENERAL reported that the

BANKRUPTCY (AMENDMENT) BILL 1992

had passed through Committee with amendment and the

## STAMP DUTY (AMENDMENT) BILL 1992

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

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

Bills read the Third time and passed.

### Member's motions

DEPUTY PRESIDENT: We again have two Member's motions for debate this afternoon. Members have agreed in accordance with recent practice to place a voluntary limit on the length of speeches.

## PRIMARY AND SECONDARY EDUCATION

MR TIK CHI-YUEN moved the following motion:

"That in view of strong demand from various sectors of the community, this Council urges the Government, in formulating next year's Budget, to increase the provisions for primary and secondary education, so that there will be adequate resources in the coming year in order to raise the professional standard of teachers, to strengthen in-service training, to move towards the target of an all degree-holding teaching force, and furthermore, to improve the teaching environment, reduce the non-teaching work of teachers and improve the teacher/student ratio, so as to enhance the quality of primary and secondary education."

MR TIK CHI-YUEN (in Cantonese): Mr Deputy President, the motion on the quality of primary and secondary education I am moving today can be viewed as the second episode of the Legislative Council debate on basic education. When we look at the debate schedule, we will notice that there is in fact a third episode coming up. Last time, when Mr CHEUNG Man-kwong initiated a motion debate on the balanced development of tertiary and basic education, Members expressed a diverse range of views. Some Members strongly urged the Government to scrap the policy of "reducing class number and enlarging class size". Some wanted a speedy implementation of the proposals

contained in the ECR Nos. 4 and 5. In fact, the difference of views only relates to how the resources should be used. In general, Members are of the opinion that additional resources should be allocated to basic education. After the debate, Mrs Rita FAN's amendment to Mr CHEUNG Man-kwong's motion was passed. Her amended motion reads, "Since education is of vital importance to the development of our economy and the advancement of the community, this Council urges the Government to conduct a comprehensive review on the balance between tertiary and basic education as well as their respective development. While expanding tertiary education, the Government should ensure that its quality is maintained; and the Government should at the same time allocate more resources to improve the quality of pre-primary, primary and secondary education in order that convergence of different levels of education can be ensured." It is not difficult to realize that the spirit of the amended motion is to urge the Government to allocate additional funds to basic education. This however is no more than a statement of principle. Members were unable to agree on how basic education should be improved. Therefore, it is my hope today to come up with some important and concrete improvement proposals, for example, raising the professional standard of teachers and improving the teaching environment and so on. Besides, I hope today's debate will not be just empty talk. Therefore, my motion also urges the Government, after listening to the views expressed today, to allocate more funds and resources to primary and secondary education in the next fiscal year. The Government is also urged to implement various policies which aim at improving the quality of education. I would like to make it clear that we would not be happy with just a slight raise of funding to cover the inflation rate. This is not real growth. What we want are enough resources and actual implementation of various meaningful policies. In general, my motion proposes concrete ways and requests to improve the quality of primary and secondary education, hoping to press the Government for additional education funding.

Mr Deputy President, in the preparation for today's motion, I have, for quite a number of times, discussed with my friends in the field of education, Members of this Council who are concerned about education policies and some government officials. These discussions have led me to realize that many problems exist in the primary and secondary education of today, for example, student suicides, the decline of teachers' morale, the lack of parents' participation and the inadequacy of school places in new towns and so on. I think these problems originate from the Government's emphasis on quantity rather than quality in the development of primary and secondary education. Although both Sir Edward YOUDE, the former Governor, and Lord WILSON, the present Governor, have expressed their intention of improving the quality of primary and

secondary education so as to live up to the people's expectations and satisfy the needs of the changing Hong Kong economy, it is really a pity that, up to now, words are never followed by actions. The Government has never reflected this intention and direction in its allocation of funds. What is worse, the resources for basic education seem to be shrinking. An obvious example is of course the policy of "reducing class number and enlarging class size".

In recent years, Hong Kong education expenditure has only constituted 3% of its gross domestic product (GDP). This percentage is obviously very low when compared with the international standard. Let us compare the figures of 1987. Japan's education expenditure was 7.3% of its GDP and that of both the United States and the United Kingdom was over 4%. Even when we compare ourselves with some South East Asian countries, like South Korea and Singapore, we are giving much less to our education. If we stick to the 3% rule and tertiary education continues to use up more and more resources, our basic education will be getting less and less. In the 1992-93 fiscal year, the growth of the level of funding to tertiary education is 38% while that to basic education is only as little as 1.5%. If education services are to be further improved, additional resources are something we cannot do without.

Let us look at the unit costs of primary and secondary education. Calculating the unit costs of aided secondary education at the price of 1991-92, they are as follows:-

91-92	92-93	93-94	94-95
\$13,610	\$13,550	\$13,458	\$13,336

And calculating the unit costs of aided primary education, they are:-

91-92	92-93	93-94	94-95
\$8,974	\$8,955	\$8,922	\$8,887

From the above figures, we can see that the unit costs are on a downward trend from 91-92 onwards. What is reflected here is that the funding for primary and secondary education is shrinking.

From the analysis of the above figures, we can conclude that the education

expenditure of Hong Kong is really at a low and backward level. Should the overall education expenditure fail to rise sharply, basic and tertiary education will be competing for funds. This will either result in the shrinking of the development of tertiary education or further damage to the quality of basic education. I believe these are not what we would like to see.

In recent months, lots of education organizations have urged the Government to allocate additional funds to basic education. The Government has been asked to allocate hundreds of millions of dollars to basic education and to implement the proposals contained in the ECR Nos. 3 and 4. Meeting Point do not agree to the policy of transferring resources from tertiary education to basic education. This policy assumes that there is an uneven distribution of education resources and there is a need for redistribution, making it necessary for the Government to cut the student number targets of tertiary education so as to satisfy the requests for additional funds to be allocated to basic education. Meeting Point think that the development of tertiary education is a must if we want to be in line with our social needs and our economical development. Of course, we have to ensure that resources for tertiary education are well spent and must minimize waste. We think that the present education expenditure is "inadequate" rather than "unevenly distributed". Given the inadequacy, we would like to have additional resources rather than cutting of expenditure on tertiary education. Meeting Point of course support the education sector in fighting for their goal. Meeting Point object to the Government's use of administrative means to cut the student number targets of tertiary education institutions without explaining to the public. I will follow up on this later on.

Mr Deputy President, primary and secondary education in Hong Kong today is faced with numerous problems and difficulties. I would like to put forward the following proposals, which aim at improving two aspects of basic education, for the Administration's consideration. These two aspects are considered by the public as important and in need of urgent attention.

#### (1) Enhancing the professional standard of teachers

As we all know, the role of teachers in education is very important. Today, our community is changing very rapidly. Students' problems, which need to be handled by teachers, are becoming more and more complicated. That is why we need to strengthen teachers' in-service training so as to help them deal with youth's problems and students' suicides, and co-ordinate with the implementation of new policies,

namely, "School Management Initiative" and "School Objective Assessment". In addition, we propose that we should move towards the goal of an all-graduate profession. With the expansion of tertiary education, the standard of the students entering the Colleges of Education will inevitably be lowered. We worry that this would affect the quality of our primary and secondary education. In order to improve the quality of education, we must aim at filling all teaching posts with graduates. This will raise the competitiveness of the teaching profession. This is a long-term goal. We will put forward our proposals concerning actual implementation later when the ECR No. 5 is published. But in any case, this policy must be implemented next year. Concerning the enhancement of teachers' professional standard, Mr Fred LI of Meeting Point will give more detailed proposals later today.

## (2) Improving teaching environment

Nowadays, the workload of primary and secondary school teachers is very heavy. They are required to perform a large amount of non-teaching duties. This is not only a waste of manpower, but will also dampen teachers' enthusiasm and affect their performance in teaching. The Government should allocate additional funds to our schools so that more clerical officers can be employed and more items of equipment, like computers, can be purchased. The administrative policies should also be simplified. All these can assist teachers in dealing with non-teaching duties. Furthermore, to reduce the teacher to student ratios is also essential. At present, the teacher to student ratio of primary education is 1:27 and that of secondary education is 1:22. When compared with the ratios of Europe, the United States, China, Thailand and Singapore, the ratios of Hong Kong are the highest. With the decrease in population, the primary and secondary student population will inevitably decline. Therefore, there will be room for the Government to gradually reduce the teacher to student ratios. Mr WONG Wai-yin of Meeting Point will have more to say on the improvement of the teaching environment later on.

Mr Deputy President, some of my friends told me that the proposals I have raised so far are already included in the ECR No. 5 which will be published shortly. I think that this coincidence is natural and reasonable. The Education Commission has examined the education problems before making recommendations. And I have also consulted widely the field of education before reaching the conclusions and the proposals. This shows that the problems identified are matters of concern to the public. The Government really has to listen to our views and implement necessary measures to improve the situation. We really cannot wait any longer.

I urge the Government to look at the ECR No. 5 with sincerity and allocate appropriate funding to implement urgently the acceptable recommendations contained in the report. In the past, the Education Commission reports have put forward many recommendations. However, the Government always used lack of resources as an excuse to delay their implementation. The Government has never set up a timetable to have these recommendations implemented. The public has begun to feel that there are policies but no commitment. I think this is the attitude of an irresponsible government. I hope to see the Government's commitment to improving the quality of our basic education in the reply of the Secretary for Education and Manpower.

Mr Deputy President, with these remarks, I beg to move.

Question on the motion proposed.

DEPUTY PRESIDENT: In the absence of Mrs Rita FAN, are you able to speak, Mr SZETO Wah?

MR SZETO WAH (in Cantonese): Mr Deputy President, the Financial Secretary told the Legislative Council last week that the Government would withdraw its proposal to raise rates because it has had an unexpected windfall of approximately \$6 billion.

A rates rise having been scrapped, there will still be \$5 billion left.

Some people say that the Government's withdrawal of its proposal to raise rates was not really because of that unexpected windfall. It was in fact because the Government felt that the Legislative Council would probably vote down the proposal. To withdraw the proposal under the excuse of an unexpected windfall would be much better than having it voted down. Is this piece of criticism sound?

How to spend the \$5 billion left is a challenge. There is not another more difficult situation which the Government has to save itself from. If the Government simply silently put the money into its coffers instead of using it to alleviate the burden on the public or improve social services, the above criticism would then become justified and well founded.

If that unexpected sum of money is not used to alleviate the burden on the public or improve social services, it will become ill-gotten money.

The motion before us today urges the Government to allocate additional funding to primary and secondary education in the Budget of the next fiscal year, so as to improve the quality of our basic education. In fact, we need not wait till the next financial year. We can improve the quality of basic education by simply allocating the interests earned on the \$5 billion as additional funding for our primary and secondary education. Therefore, to ask the Government for additional funding in the coming financial year is already a very generous request. The Government really has no reason to refuse.

Perhaps, the Government by employing the pretext that implementation of the current Budget is still clouded with uncertainties, will refuse to so commit itself in the next Budget. In fact, the situation is not all that murky. At least, there is no fear of a deficit. The windfall from the last financial year already more or less equals the estimated Budget surplus of this year. In other words, the estimated surplus of the current fiscal year is already in the hands of the Government. What is more, the Government has in the past always ended up surprisingly with a larger surplus than was estimated. In this connection, Hong Kong has always rated first in the world. With so many months to go before the close of the current fiscal year, the Government has already got the surplus in hand. When the fiscal year closes, the Government will perhaps get a lot more than has been estimated. So, the Government should now be able to show its commitment for the coming fiscal year.

"Ten years to see a tree grow; a hundred years to see a man grow". Trees need water to grow. Man needs money to get trained. A desert without water is only barren land. To cut the expenditure on primary and secondary education will certainly endanger the foundation of education of Hong Kong; no matter how grand and beautiful the buildings on the foundation platform are, they will be shaken and will collapse in any minute. British sovereignty over Hong Kong will last no more than five years from now. A hundred years are no where to be found. But I hope that the Administration, in its remaining five years' rule, will still be willing to see this territory full of beautiful trees and talented people.

Today, we have another motion, which is about the "rose garden." I once said, "There must be roses in order to have a rose garden." People are our roses. If we have only the new airport in our mind and neglect education, especially basic

education, Hong Kong will only become a rose garden without roses, notwithstanding the completion of the airport.

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

MRS RITA FAN (in Cantonese): Mr Deputy President, first of all, I would like to declare my interest. I am the Chairman of the Education Commission. In these few weeks, the Commission has been very busy writing its Report No. 5. It is hoped that the report can be published in June for public consultation. Whether the recommendations contained in the report can become policies will depend on the consultation results. Whether policies can be fully implemented will depend on resource allocation. Views of the Legislative Council on these two aspects will have certain effects on the outcome.

Mr TIK Chi-yuen has obviously put in a lot of thought on the wording of today's motion. All that is urged for in the motion, like raising the professional standard of teachers, strengthening in-service training, and moving towards the target of a degree-holding teaching force and so on, will be covered in detail in the recommendations of the ECR No. 5. The direction of these recommendations has also been reported by the press. I do not wish to go into the details of the recommendations which, I think, should wait till the publication of the report. Nevertheless, I welcome Mr TIK's motion since the timing is good. The motion coincidentally comes before the publication of the ECR No. 5 and can be seen as a "prelude". I must thank Mr TIK for giving us a "trailer" of the motion debate on the ECR No. 5 scheduled for 15 July 1992.

If the present motion is passed, it will give the Government a clear message, that is, even if the recommendations contained in the ERC No. 5 will require as much as \$1 billion to implement, this Council is urging the Government to clearly commit itself to improving the quality of education and not to delay the implementation as long as the recommendations are in the same direction with today's motion and are supported by the public during the consultation period. Therefore, I support the motion and hope that honourable colleagues will also support it.

At a time when the Government is trying hard to control public expenditure, I am making so bold as to ask for huge additional funding for education in seeming disregard of the inflation of public expenditure. However, whether it is correct

to treat education expenditure as "recurrent expenditure" deserves our discussion and review. I think that education is in fact a kind of "investment". Suitable investment can bring about considerable profits. If we are too mean in our "investment" and sacrifice quality for quantity, our next generation will be left in the lurch. How are we going to achieve the economic prosperity expected? I hope the officials administering finance, when planning the allocation of education funding, can adjust a little their concept and see education expenditure as a kind of "investment" instead of "expenditure". I believe this would bring about substantial returns.

All the improvement measures urged for in the motion require long-term commitment in terms of resources. This is not something which can be done overnight. Therefore, the requests stated in the motion should not be limited to the coming fiscal year. They should in fact be extended to five, 10 or even 15 years ahead. I guess Mr TIK, besides asking for prompt action on the part of the Government, is also hoping that the Government can make long-term commitment to education in Hong Kong. I hope this can be confirmed.

The resources allocated to primary and secondary education are to be increased. However, simply a slight increase to cover the inflation rate and economic growth rate (approximately 5%) is never enough to implement various plans to attract good quality people to the teaching profession and make good teachers stay in the profession. It is also not enough just to raise the standard of teachers. The reason is that 90% of the recurrent expenditure of primary and secondary schools are spent on the emoluments of teaching and administrative staff. Salaries rise with the price index but we cannot afford to have the number of staff cut. The inflation rate further erodes the funding for basic education. The increase in funding is in fact less than the economic growth. To continue with the improvements already made, like the endorsed recommendations of the ECR No. 4, we need resources. Even if tertiary education will enter a period of consolidation after the year 1995, recurrent expenditure will still need to be increased. Although the rate of increase will not be as great as that in the years between 1992 and 1995, allocation of additional resources will be inevitable. After deductions, we will only have very little left for raising the standard of teachers or for implementing other related recommendations. In order to substantively improve the quality of primary and secondary education, we need additional funding from the central government.

Therefore, I suggest that the Government set a target -- "18% of public sector expenditure to be spent on education". The estimated education expenditure for the

fiscal year 1993-94 accounts for 16.8% of public sector expenditure. I am not asking the Government to increase the education expenditure to 18% immediately in the next fiscal year. In fact, what I am hoping for is a gradual increase with 18% as our target. Only with this kind of well-planned and gradual increase can we guarantee the implementation of the policies of enhancing the quality of primary and secondary education.

The improvement measures urged for in the motion are only part of the recommendations of the ECR No. 5. Besides making recommendations on the quality of teachers of pre-school, primary and secondary education, the report has also covered special education, which needs to be examined and improved, and the gradual development of tertiary education, which cannot afford to be neglected. I hope the Government will accept my suggestion so as to avoid important policies being left unattended owing to the lack of resources. Assuming that public sector expenditure constitutes 20% of the GDP, the education expenditure should occupy 3.6% of the GDP. When compared with economically developed countries, this percentage is not high at all. But to students, parents and education workers of Hong Kong, this would be an encouraging measure.

MR CHEUNG MAN-KWONG (in Cantonese): Mr Deputy President, as the representative of the education sector, I fully support the motion moved by Mr TIK Chi-yuen on enhancing the quality of primary and secondary education.

For a very long time, the Government has neglected the importance of investing in education in Hong Kong, tertiary as well as basic education. Generally, the education expenditure of Hong Kong only amounts to around 3% of its Gross Domestic Product (GDP). When compared with European countries, the United States, Japan and others, Hong Kong surely has much to catch up. Even if we compare ourselves with South East Asian countries, our education expenditure is still on the low side. China is the only country behind Hong Kong. To a nation which has always valued education and is so proud of its traditional civilization and culture, this is not only an irony, but also a tragedy.

With China, there is not much we can do. We can only support the recent Project Hope making it possible for the poor children of China to learn to read and write. But with Hong Kong, we are duty-bound to maintain good quality education and to expedite our economic development as well as social progress. This is something we

should do and can do. Last year, our surplus rose from the estimated \$1.3 billion to \$14 billion and eventually notched \$22 billion, which was 17 times the estimated figure. However, there was no increase in the expenditure allocated to basic education. There was, therefore, not adequate resources to redress the longstanding weaknesses in our basic education. Furthermore, the Government even wanted to have the class number cut and the class size enlarged, undermining the interests of the students. The Hong Kong people are deeply disappointed with a government, which is not the least committed to education or to the community.

Under such circumstances, the Legislative Council is responsible for urging the Government to reverse the trend of neglecting to invest in education. The Government must allocate additional funds to basic education in the next Budget. First, the 3% rule regarding the percentage of education expenditure in the GDP must be scrapped. The percentage should be increased gradually to around 5% so as to be in line with that of the developed countries. Only with an overall increase in education expenditure can tertiary and basic education develop at the same pace and complement each other. The community of Hong Kong will eventually benefit from the increase.

Since the allocations to tertiary education for the last three years have already amounted to \$18.2 billion, the additional education funding in the next fiscal year should be spent on basic education. In fact, the interests of the primary and secondary pupils have long been sacrificed and the expenditure on basic education has tightened in order to maintain a low level of 3% of GDP. For example, the cost of a primary and secondary place is only around \$10,000 per annum while that of a tertiary place amounts to \$100,000. The differential is really great. From this, we can also see how pitiable the situation of our primary and secondary pupils is.

To adopt a bisessional system in primary schools and a floating class system in secondary schools, to reduce the teacher to class ratios, to enlarge the class size and to make teachers carry out more and more non-teaching duties which should be the job of clerical staff or school attendants are all means to maintain a low level of education expenditure. Although such means has successfully kept the expenses down, it has laid a very heavy burden on teachers and dealt a blow to their morale. That is why there has been a brain drain within the profession. This policy of keeping the expenses down has in fact killed the goose that lays the golden eggs. The loss outweighs the gain.

If we compare most of the primary and secondary pupils with those studying in

junior English schools, which are also government aided schools, we will realize how pitiable our primary and secondary pupils are. Recently, the Government is planning to build a junior English school. Going through the relevant papers and the information released by the Government, we have gathered the following comparisons. The construction costs of the English school is \$0.12 billion, which is 4.6 times that of an ordinary aided secondary school. The junior English school has seven more classrooms than an ordinary aided secondary school making the floating class system unnecessary. The class size of the English school is only 30 and that of an ordinary secondary school is 42. The cost of a place in the English school is \$17,000 per annum which is \$3,000 above that of a place for a Chinese pupil. The teacher to class ratio of the English school is approximately one-third higher than that of an ordinary secondary school.

Mr Deputy President, I am not trying to advocate racism here. What I am trying to point out is that the Government obviously knows what is sound basic education. However, only a minority of English pupils are allowed to enjoy it. About a million Chinese pupils are turned away. This is not fair. Education means equal opportunities. Race should make no difference. Now, I would like the Government to give me direct replies to two questions. First, when can the standard of junior English schools apply fully to all ordinary primary and secondary schools of Hong Kong? Secondly, when can our basic education free itself from the present pitiable situation and when can our teachers and pupils put on more smiles?

Mr Deputy President, one of the important themes of Mr TIK's motion is about the in-service training of teachers. An important point about teachers' in-service training is the promotion of an all-graduate teaching profession. At present, there are two major obstacles to an all-graduate profession. First, the Schools of Education of the universities can only offer annually some dozens of degree places to our primary school teachers and heads. But we have as many as over 20 000 non-graduate teachers. The limited places available really will have no significant effect at all and will fail to improve the overall situation. Secondly, there are no graduate master posts in the teaching establishment of primary schools. Teachers who have secured a degree through a lot of hard work cannot qualify for graduate pay. How ridiculous this is in a society where professionalism and qualifications have always been valued.

Mr Deputy President, whether the goal towards an all-graduate profession can be achieved will depend on the commitment of the Government to basic education. I have heard that the Government has planned to use 33 years to have 35% of the primary

teaching posts filled with graduates. If this is true, we will need, by simple calculation, 100 years to get an all-graduate profession. Unfortunately, by that time, we and our children would have probably died. Since the plan was objected to by the Education Commission, the Government has brought the target date earlier by 15 years. In other words, an all-graduate profession can be achieved in 40 years' time. You who are young and live long will be able to see the arrival of that day.

Mr Deputy President, I wish what I said a moment ago were only a joke. However, many jokes in our educational system have become realities. Thousands of pupils and education workers have been adversely affected. They are made to suffer unnecessarily. Today, on behalf of the United Democrats and the Hong Kong Professional Teachers' Union, I support Mr TIK's motion and hope for an early implementation of the necessary measures to achieve an all-graduate profession and to improve the quality of education. I sincerely hope that the sufferings which our parents and teachers have been under can gradually leave us and become history.

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

MR FREDERICK FUNG (in Cantonese): Mr Deputy President, I agree with Mr TIK Chi-yuen that the Government should increase the provisions for primary and secondary education in the next Budget in order to have enough resources for the implementation of various education policies. However, we must pay attention to the importance of using public money in appropriate ways. Hence, I think that we should set priorities when trying to improve the quality of primary and secondary education. The points raised by Mr TIK in his motion are very important, but he has neglected a number of more important measures which can benefit the pupils directly and can very quickly enhance the quality of education. I would like to put forward these measures, which I think are much more important, for the consideration of our honourable colleagues and the government officials concerned.

Mr TIK, in his motion, urges that additional resources be allocated to primary and secondary education so as to raise the professional standard of teachers and thus enhance the quality of education. Please allow me to call this a "teacher-oriented" reform direction. I agree to this proposal. However, the Hong Kong Association for Democracy and People's Livelihood and I tend to give more emphasis to the "pupil-oriented" reform direction which includes measures of allocating resources directly to improve the learning environment and school life of the pupils. I will

have more to say on this.

Mr TIK suggests strengthening the in-service training of teachers, moving towards the target of an all degree-holding teaching force and reducing the non-teaching work of teachers. All these would undoubtedly boost the morale of the teaching profession which in turn would improve the education function of frontline workers. However, these are all measures which will only have indirect effects. The more direct way to improve the quality of education is to reform the present unreasonable education system. What I mean by "unreasonable" are the bisessional system in primary schools and floating class system in secondary schools.

In fact, both systems were introduced in the 1960s and 1970s. They were temporary measures to provide enough school places for all children of schooling age. However, 20 years have passed and we still see the two "temporary" systems in existence. When the Government and the public have repeatedly indicated that the problem with primary and secondary education in Hong Kong lies in "quality" instead of "quantity", it is ridiculous that these two systems which have drastically damaged the quality of our basic education can still exist. Since many education workers and academics have already expressed views on how the bisessional system of primary schools can adversely affect the learning and growth of the pupils, I am not going to elaborate on this.

I only wish to point out that the victims of this infamous bisessional system are mostly children from the lower income families. Nearly all the lower income parents have to work to make both ends meet. After a day's hard work, they return home at night in fatigue. They surely cannot afford to employ domestic helpers to take care of their children. Under the present bisessional system, their children have to spend part of the day outside their schools. However, there is no one at home to take care of them. This has led to many problems. Many pupils simply wander around in the streets. They are really wasting their time. Some of them even become gangsters and start to make trouble. More unfortunately, some of them are led astray by bad companions. All these explain why I think the bisessional system carries the worst and far-reaching effects on the lower income people. To enhance the quality of education, to improve the quality of learning and the living of the pupils from lower income families and to achieve a fair and equitable society, we must introduce whole-day schooling in primary schools as soon as possible.

On the other hand, the number of classrooms in a secondary school is much fewer than the number of classes. Hence, the pupils have to waste a lot of time everyday

in changing classrooms. In order to cope with the problem of "additional" classes, some schools even have to convert their limited space (for example, covered playground and store room and so on) into classrooms, worsening the learning environment and the quality of living of the pupils. How can we expect our pupils to have a sense of belonging towards their classes or schools if they are asked to keep changing classrooms and accommodated in such a small and crammed area? How can they make use of the space and time available to participate in fruitful learning exercises and extra-curricular activities? How can the teachers working in such terrible environment have high morale? It is sad that the Government has never tried to improve on the system. Bisessional and floating class systems are adopted even in new schools. Teachers' morale will continuously be dampened and the bad learning environment of the pupils will continue to deteriorate. With these two systems still in existence, how can we improve the quality of education?

Another important point of the "pupil-oriented" reform direction is the "Positive Discrimination or Equality of Education Opportunity". This means that we should allocate more resources to the pupils who are more in need of assistance so as to help them catch up with better endowed pupils.

Nowadays, education in Hong Kong already offers us equal opportunities. This means that all children of schooling age are allowed to study in schools receiving similar levels of subsidies. However, this is only a low level of equality. With its social progress and economic development, Hong Kong can in fact upgrade its level of equality in education. A higher level of equality means equality of education outcome. To achieve this, we must advocate "equality of education opportunity". To improve the quality of primary and secondary education, we must raise the quality of the pupils of lower academic standards as soon as possible. Pupils in better financial situation tend to do better in schools because they possess much more cultural capital than those of the working families. Under the present policy of "equal treatment", all schools, irrespective of the standard of their pupils, receive the same amount of resources. This is not fair to those schools which accept pupils of lower quality because they need more manpower and resources to help the pupils to catch up. At present, primary pupils are divided into five bands according to their academic aptitude test results. Those classified as Band Four and Band Five amount to 20% of the total. These pupils are well below average in English, Chinese and Mathematics. The authorities have the responsibility to take special care of them so as to narrow the gap between pupils of better standard and those of lower standard.

Besides, Mr TIK, in his motion, has pegged the increase in resources to the enhancement of the quality of teachers. However, the standard of teachers cannot be improved only by increasing the resources. Raising the professionalism of teachers is in fact more important. One of the ways to improve teachers' professionalism is to assist them in setting up a professional organization to promote the professionalization of teachers and self regulation, for example, the enforcement of professional codes, the monitoring of professional conduct and the enhancement of teachers' professional integrity. An authoritative and representative teachers' union will be able to unite the teachers in the profession. They will start to raise the threshold of what to expect of themselves. The public will also expect more from the profession and become more demanding. All these will not carry substantial financial implications but will be able to greatly improve the quality of education. I hope that the ECR No. 5, which is going to be published soon, will confirm the value of a teachers' union.

Parents have a very important role to play in the enhancement of the quality of primary and secondary education. It is sad that there has always been little parental participation. They know very little about their rights and obligations. Parents' response to the "School Management Initiative" published by the Government to encourage parental participation is poor. In fact, the Government should encourage and supervise the school management in setting up a parent-teacher joint committee so as to strengthen parental participation and improve the quality of education. The parents should also nominate a representative to the Board of Directors of the school so as to participate in the school administration. The school management should also arrange manpower to assist in the day-to-day operation of the parent-teacher joint committee.

In brief, both the Hong Kong Association for Democracy and People's Livelihood and I think that raising the standard of teachers alone cannot improve the quality of primary and secondary education. We must also reform the present unreasonable education system. On the other hand, additional resources alone cannot raise the professional standard of teachers. What we should also do is to raise the standard of the entire profession.

In conclusion, I have four proposals to make. First, the Government should draw up a timetable to implement whole-day schooling in primary schools and replace the secondary schools' floating class system within a short period of time. Whole-day

schooling must be introduced in all new primary schools. As for new secondary schools, they should have enough classrooms to dispense with the floating class system. Secondly, "Equality of Education Opportunity" should be adopted to allocate more resources to the schools whose pupils are mostly of Bands Four and Five. Thirdly, the Government should promote the setting up of a territory-wide teachers' union. Fourthly, the Government should promote the setting up of parent-teacher joint committee in schools.

Mr Deputy President, I hope the above proposals will have the support of our honourable colleagues. I will formally discuss my proposals with my colleagues in this Council and the government officials on some other occasions. Based on the above views expressed and my belief that Mr TIK's suggested measures can, to a certain extent, improve the quality of primary and secondary education, I support the motion.

MR TIMOTHY HA (in Cantonese): Mr Deputy President, ever since the implementation of nine-year free education, the quality of education has become all the more a matter of public concern. Another related problem is the pooling of education resources since adequate resources are indispensable if quality education is to be offered to our pupils.

In the past decade, our education expenditure has rarely constituted more than 3% of the gross domestic product (GDP). Statistics show that, among the 30-plus Asian countries, Hong Kong is one of the top 10 which allocate the highest amount of money to education. However calculations based on its share of the GDP reveal that Hong Kong is in fact among the 10 which offer the smallest portion of their wealth to education. Comparisons with Asian countries are already that bad, not to mention countries like the United States (6.8%), France (5.4%), the United Kingdom (5%) and Japan (4.9%).

Three conclusions can be drawn from the above phenomenon. First, the percentage of the education expenditure of Hong Kong in the GDP has always been low. This shows that the education expenditure is not in proportion to the wealth Hong Kong attains every year. For this reason, there is a need to allocate additional resources to education. Secondly, our education needs have already changed. Ten or 20 years ago, teachers could not foresee the problems we face today. Quality education indeed depends on the Government's determination to allocate more resources to education. Thirdly, tertiary education taking up proportionally more and more of the resources.

The Government should increase the overall education expenditure so as to allow basic education to get more fund without having to sacrifice the present level of educational services or hampering the development of tertiary education.

Some people have encouraged the Government to cut the funding of our tertiary education in favour of basic education. I strongly object to this short-term approach which I believe will only damage the long-term development of our education. A university lecturer has once told me that the problem with our tertiary education now is the unsteadiness of the Government's policies, which have created lots of uncertainties. At first, the Government was very determined to expand tertiary education. Thus, all the tertiary institutions began to start on many plans, including the offering of more courses tailor-made for the needs of the community, the construction of more teaching buildings, the provision of more teaching facilities and the recruitment of more staff. I understand that it takes as long as 18 months to recruit a lecturer from the planning stage to the actual day of his reporting duty. Unsteady policies have made the recruitment of staff difficult, if not impossible. Besides, there were times when education institutions have planned to offer some courses organized in line with our social and economic needs, they found that their projects were affected by the Government's unsteady policies. Therefore, should the Government fail to maintain continuity and steadiness in its education policy, I am afraid the balance of the overall development of our education will be upset.

Hong Kong has no natural resources. Therefore, emphasis must be put on the training of its people. The situation of Hong Kong is much similar to that of Singapore in this respect. However, we will find that, comparatively speaking, Singapore is more generous in financing its education. At the height of the development of its education, Singapore allocated over 4%, or 1% higher than the usual percentage, of its GDP to education and would not lower the percentage until the completion of that stage.

I think that Hong Kong is in a similar situation. Tertiary education is now expanding in terms of quantity and our basic education is getting improvements in terms of quality. These show that the education development in Hong Kong is moving towards its height. Therefore, it is time for us to increase the overall education expenditure.

To enhance the quality of our education, we must pay attention to three points

as follows: First, I agree that the quality of education should be improved by implementing the recommendations made in the motion. Secondly, people in the education sector should try their best to equip themselves so as to adapt to the changes of today's education. Thirdly, teachers are similar to other professionals working in the social services sector in that they are all faced with many restrictions. That is why they all need the encouragement and support from the parents and the public. Unjustified criticism is the last thing they want in the world. Without their help teachers will have to fight the battle all by themselves and to face various social and educational problems in the frontline. In the absence of any back up, teachers will not perform well.

Mr Deputy President, I think the spirit and the direction as indicated in the motion before us are correct. For this reason, I support the motion.

MR ERIC LI: Mr Deputy President,

Schools set up like factories

Primary schools in Hong Kong work two shifts. We cram over 40 students in each class. Lessons are delivered with assembly line efficiency. There are numerous tests designed to ensure that students comply with set standards. Workplace disciplines are vigorously enforced. If I go on any longer, honourable colleagues would probably think that I am talking about the factory.

Attainments not add up to quality education

The whole process of primary and secondary education in Hong Kong is regimented and highly structured. Yet our schools have achieved much that we can be proud of. Hong Kong students perform wonders overseas. They regularly win top spots in public examinations wherever they go, for examples the United States, England, Canada and Australia. With just 3% Gross Domestic Product in education expenditure, we have offered a wide opportunity for education to almost every young person. Many of them are trained to internationally acclaimed standards. There can be no denial that our

education system is good value for money, exceedingly efficient, productive and that our well trained students are highly sought after by the insatiable demands of our fast expanding commerce and industry. However, these academic and administrative attainments do not add up to quality education.

#### Quality education desired by the community

"Quality" is an expression of desire. It can be subjective and abstract. Nonetheless, the type of quality education desired by our community is apparent. As parents, we surely want our children to be happy, healthy and all-round in development. As employers, we want our young people to be independent thinking and be able to apply their learned skills. In the context of the wider community, we expect our young people to possess the right social, moral and civic attitudes. The present mass production line type of school environment may be effective in imparting text-book knowledge but it is clearly not conducive to assist in the character building of our young people.

#### The needs of young people

Young people themselves are direct consumers of the school services. However, it is far more difficult to gauge their needs. But if education is a process to help them realize their full potential, quality education should produce confident, goal-orientated and responsible individuals. Conversely, we will find them alienated from the school system, trapped in boredom and frustrated in work. Recent surveys indicate that 45% of our young people did not have clear future plans; a majority felt reluctant to communicate with teachers about their problems; school drop-outs; triad infiltration; youth crimes; unruly and delinquent behaviour; abuse of psychopathic substances and student suicides are growing in number. These all point to a fact that more and more young people are either rebelling against or trying to escape from the straitjacket school approach. If these alarming numbers can be recognized as "negative" performance indicators in the financial estimates of the annual Budget, then I am sure that the Financial Secretary will have less difficulty in agreeing with me that additional funds are urgently needed to help improve the school environment.

#### ECR4: blueprint for a mini industrial revolution

We already know exactly what to do with the extra money. The Education Commission

Report No. 4 in particular has identified many innovative and helpful programmes. To avoid repetition, I shall not list them. I do not think that I am exaggerating though to state that the full implementation of these programmes would probably amount to a mini industrial revolution in education.

### The role of teachers and their profession

At first glance, the wording of the motion appears to ask for all the additional funds to be channelled to the improvement of teaching skills and conditions. On further reflection, it becomes clear that the claim deserves support. The teaching professional does have a unique role to play in the challenging tasks ahead.

Unlike other professionals, I understand that teachers have a much greater professional responsibility towards their clients, that is, students. Whereas other professionals like accountants and engineers can generally assume that their clients are capable of looking after their own interests, students are vulnerable and their welfare is an integral part of the professional responsibilities of teachers. Students will be the first to benefit as a result of teachers improving their professionalism. It is therefore justified to equate the interests of our young people with the improvement in the quality of teaching.

Mr Deputy President, my short speech is meant to be supportive but I do share the feelings of Mr Frederick FUNG about strengthening of the teachers' professionalism and for that part I shall not repeat. I have also indicated and outlined a very tall order for the teaching profession. I have similarly urged the Government to increase provision of funds to improve the quality of education during the Budget debate. With adequate financial support and a more reasonable teaching environment, I am confident that the teaching profession will uphold the highest professionalism and live up to all our expectations.

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

MR FRED LI (in Cantonese): Mr Deputy President, raising teachers' professional standard is one of the strategies which need to be taken into account where improvement of the quality of our primary and secondary education is concerned. We are now providing universal education, instead of elite education which had its heyday in the past. One of the characteristics of universal education is that every child,

irrespective of his background or academic level, will be allowed to study in schools. The present education system offers educational services to all children of school age. Compulsory education is now enforced by laws, which stipulate that parents must send their children to schools. However, the Government should also guarantee to the public that their children will learn more than textbook knowledge in schools. An all-round education should take care of the children's psychological development, character building and knowledge attainment. The aim of universal education is to provide education for pupils with different academic capabilities. The role of teachers should not be limited to imparting knowledge, but also include the provision of appropriate learning opportunities to pupils in accordance with their background, interests, academic levels and abilities. As for schools, each one has its own problems due to the difference in pupils' background, interests and abilities. Therefore, they should be given enough independence to design courses which would cater for the needs of their pupils to help them solve their problems both in learning and in life.

Recently, we learnt from the media that some schools have already started to re-design some of their courses for their pupils. This is really an encouraging development. On the other hand, our young people are now faced with problems in their growing process, which are much more complicated than those in the past. Nowadays, teachers must have a better understanding of the pupils' growth, feelings and psychological development if they want to have a grasp of their physical and mental development. Besides subject skills and knowledge, a teacher should also be equipped with some knowledge on curriculum development so that he can design an appropriate course for his pupils. Only with this can pupils grow up in school life. Whether teachers can face up to these challenges indeed depends on their own professional standard.

Concerning the quality and standard of teachers, Meeting Point would like to put forward two suggestions. First, we should move towards the goal of filling all teaching posts with degree-holders. Secondly, the in-service training for teachers should be strengthened. At present, the ratio of graduate posts to non-graduate posts in the establishment of secondary schools is 8:3. And there are no graduate posts in primary schools.

The policy of moving towards the goal of filling all teaching posts with degree-holders means that the Government should gradually reduce the number of non-graduate posts in secondary schools and to create graduate posts in primary

schools. We surely appreciate the financial implications of these suggestions. In fact, in-service training is never something which can be introduced overnight. I think that the goal in this respect should be treated as a direction. We must draw up a timetable and start moving towards this goal. We suggest that the Government start by creating graduate posts in primary schools.

Our suggestions do carry some merits. First, we understand that many certificated masters (CM) have successfully completed one-year or two-year degree courses in education in the United Kingdom over the past 10 years and most of them were primary school teachers. In addition, the degree course in primary education offered by the Chinese University of Hong Kong is going to have its first batch of graduates in the coming year. If graduate posts are created in our primary schools, we will be able to attract teachers with degree qualifications to serve in primary schools. This is the best way to retain people of high calibre. Secondly, pupils' problems in secondary schools can be reduced by an improvement of the quality of primary education. What is more, if teachers with degree in education stay in primary schools, they will bring in more innovative ideas to primary education.

As for the strengthening of in-service training, we understand that many programmes have been organized by the Advisory Inspectorate and the Institute of Language in Education. It is not our intention to belittle these efforts and achievements of the Government. However, we hope to make use of this debate to express our views on in-service training for teachers. First, the current in-service training by the Government are mostly courses on subject teaching skills. However, as pupils' problems today are getting more and more complicated, the Government should make use of various means, one of which is to subsidize tertiary institutions to organize more short-terms courses, to enable our teachers to explore in depth the various aspects of education, like the psychological development of school children and how to counsel pupils with suicidal tendency, and so on. By so doing, the standard of the education services will be enhanced. Secondly, the Government should consider creating some posts to be filled by experts in the soon to be established Curriculum Development Institute or the Schools of Education of the universities. These experts may go to primary and secondary schools upon invitation to advise on the curriculum development of individual schools. To meet the needs of individual schools, the authorities concerned may also offer them specific in-service training so as to assist them in solving the specific problems of their schools. It comes to our knowledge that many lecturers from the Colleges of Education are now devoting much of their spare time to such kind of work on a voluntary basis. We think that the Government

should seriously consider the availability of such resources. We also trust that this direction is correct and worthy of support.

Mr Deputy President, with these remarks, I support Mr TIK Chi-yuen's motion.

PROF FELICE LIEH MAK: Mr Deputy President, there can be nothing more important to the future of this territory than the quality of education offered to the people of Hong Kong. If there is a safety valve for our competitive, fast-pace capitalist city, it is in the equal opportunity offered in quality education. If there is a means of improving and influencing our future economic success, it is in the potential of our human resources developed through education. The desire for self-improvement, whether it be material accumulation or artistic excellence, has turned this barren rock into a thriving city.

Education touches the spirit of our free market system. It provides an equal opportunity for each member of this society to improve himself or herself.

I would like to address specific failings in our primary education and suggest ways in which we can enhance our schools. Primary school is the foundation of our children's education. The quality of its education is reflected not only in secondary and more advanced schooling but also for the rest of a person's lifetime. For example, many secondary school problems, especially delinquency and truancy, need to be addressed at the primary school level.

Since compulsory education through Form III was introduced, would be drop-outs have stayed in school, unable to handle the academic requirements and often contributing to the disruption of the class room. However, allowing them to leave school is worse. Lacking a Form III education leaves them virtually unemployable in skilled positions. These students should have been recognized in primary school and encouraged to develop their abilities, instead of being pushed ahead into secondary school without the proper skills to manage it. Our commitment in the early years greatly determines the future successes and failures.

If we seek quality education, we must begin with our educators. Studies have shown that individual teachers and principals, often those who emphasize academics, actively participate in lessons and encourage student responsibility, make the greatest difference in educational standards. Our primary school teachers are

generally undereducated and undertrained for the numerous and varied challenges of their profession. Most do not hold a graduate degree, and those who do cannot qualify for the graduate pay scale. In addition to receiving lower pay than secondary school teachers, primary school teachers have few prospects for career advancement. We must first raise the education of our teachers as well as their status and salaries to the level of other professionals. But salary increases alone, without higher standards or expectations, will achieve nothing. Educators will not gain the respect accorded to other professionals until the academic rigour and training at schools of education matches those at, let us say, medical or law schools.

Prestige for the teaching profession will increase as the process becomes more challenging and selective. Rewarded by increased pay and status, professional expectations will attract professional calibre.

We must reconsider the function and purpose of our schools. The days of two-parent single-income families are over -- let us be realistic about that. Parenting and schooling can no longer be easily distinguished. It is inevitable that schools will be asked to do both; thus we must begin implementing whole-day schooling in our primary schools. Day care, children's centres and other social services programmes have tried to fill this need; many young parents must hire helpers to raise their children, or put them in the care of neighbours. Consolidating these efforts and resources into whole-day schools will be more effective, save money, and help working parents. More importantly, whole-day schooling can improve the quality of education. Primary school children should have more time to learn, to play and to make friends. Why must children suffer under the rat-race conditions that their parents labour under? The Government should show their commitment to this plan by designing every new school for whole-day schooling, by improving parent and teacher student ratios and adding more resources. These improvements will result in better quality whole-day schools and raise their status in the eyes of the community.

Another problem in our primary schools is the lack of library resources. In most cases, the library is in fact a small collection of books sitting in a corner of the classroom. Unfortunately, many of the other classrooms have the same books in their small collections. So the children have woefully few options. Having no library at their disposal, the children can gain no practical experience in looking for information or even satisfying their own curiosity. The teachers are also hindered from finding new teaching materials and using other resources. How can education proceed with no books and no information?

There are a variety of things that we need to do to improve education in Hong Kong, and the list is very long. We need to set priorities and in this respect, I would like to put my priority in primary education. We are faced by a rather unusual situation with the unit cost differential between government schools and aided schools. The cost of government primary schools is 40% more this year per student than their aided counterparts. Government secondary schools will cost 57% more per student. Does this difference amount to a better value-for-money and better-quality student? Because if one looks at the total of this difference it amounts to \$400 million -- quite a substantial sum, I would like to question the reasons for this differential and whether, if the reasons are not acceptable, this money can be better spent elsewhere?

Our commitment to education is an expression of our faith in the future and the hope in our children. There is no guarantee that the future will bring prosperity and stability but giving our children a good education is the best and only way to prepare the next generation for the challenges they must face.

The preservation of our way of life depends upon equal opportunity for self-improvement. This is the value of quality education.

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

MR WONG WAI-YIN (in Cantonese): Mr Deputy President, you are undoubtedly a brilliant barrister. However, if you were asked to handle over 40 cases at one time and you had to type, write or even despatch letters all by yourself without the assistance of a secretary or photocopier, I am sure that your performance would be drastically hampered.

This is exactly the situation that our primary and secondary school teachers are now in. On the one hand, the problems of the pupils have become increasingly complicated and the public are having higher expectations of the teachers. On the other hand, the school facilities and manpower back-up are well behind the actual needs and the teachers' workload has long been very heavy. Therefore, our primary and secondary school teachers are like you, Mr Deputy President without a secretary or photocopier in the above hypothetical case. No matter how brilliant and talented, they simply cannot achieve much.

At present, the workload of the primary and secondary school teachers is very heavy. That is beyond dispute. Take an ordinary secondary school teacher as an example. Five days a week and 25 to 30 periods. That means he has five to six periods a day with only two periods to correct exercises or examination papers. The workload of those teaching practical subjects is even heavier because they have to prepare, before the lessons, tools and equipment for pupils' use. Generally speaking, teachers can only meet and assist individual pupils during recess, lunchtime and after school. During the days when a teacher has to be on duty for extra-curricular activities or maintaining order, he will even lose the already limited spare time, reducing his chances of interaction with pupils. The great number of periods is the result of the high teacher/pupil ratio. In 1988, our teacher/pupil ratio was 1:23, which was much higher than that of all developed countries and most of the developing countries. Even the ratio of China was only 1:16. Because of this, the average number of periods of teachers in China is about half of that of our teachers. They naturally have more time to enhance the quality of education and give individual attention to their pupils. I am sure that this is the envy of our teachers.

Apart from the very tight daily teaching schedule, our teachers also have to take very good care of their classes, each of which is crammed with 40 pupils of different academic capabilities. Their distressing situation is difficult to describe in words. Under the circumstances, our urgent task is to reduce the teacher/pupil ratio. To our disappointment, instead of reducing the ratio, the Government has recently taken it upon itself to increase the size of their classes at Primary I and Secondary I levels by two places. It shows that the Administration's policy is a retrograde step. At present, on top of the very heavy teaching duties, our teachers are also required to perform a lot of non-teaching duties, for instance, the filling of application forms for travelling allowances and school fee reduction for pupils, and the taking of attendance, and so on. In fact, we can simply recruit more clerical officers to perform these tasks. Besides, installation of more facilities, among others, computers and advanced photocopiers, can reduce teachers' workload in working out the pupils' test and examination results, and in the preparation of pupils' term reports. We can also make use of computing software to print pupils' examination reports. It is faster and more accurate. Teachers also have to spend a lot of time in setting some dozens of examination papers a year. With the help of computing software in editing and the assistance of clerks in sorting out the details, teachers will be able to concentrate on setting better examination papers in line with the standard of the pupils.

In recent years, many parents prefer sending their children abroad or to local international schools rather than other local schools. Why? It is all because they wish their children to have a better learning environment and to be taken good care of. However, most of the parents cannot afford to do so. But this does not mean that they are not entitled to quality education. I believe that all the citizens of Hong Kong would like to see additional allocation of funds, an improvement in teaching environment and a boost of teachers' efficiency as well as morale. All these will bring about better education.

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

MR ANDREW WONG (in Cantonese): Mr Deputy President, I rise to support Mr TIK's motion not because of its substance but its spirit. Education, especially basic education, is very important in that it concerns the sacred task of bringing up our children. It is also the most meaningful investment of our social resources and public money.

Mr Deputy President, the Legislative Council had on 8 April a debate on tertiary education, but in fact, it turned out to be a debate on primary and secondary education. I did not speak at the debate. I only released a statement to the press, explaining why I did not speak at the debate and why I did not support Mr CHEUNG Man-kwong's motion. In my opinion, the debate on 8 April was only a continuation in disguise of the debate on the Appropriation Bill. And now this debate is a real one on primary and secondary education and basic education. On that day, I also gave my word that I would speak at today's debate.

Mr Deputy President, I have reasons to say at the outset that I support Mr TIK's motion not because of its substance but its spirit. I think that if primary and secondary education and basic education are to be really improved, it is of no use to set out all the measures one think might help. If we do not set priorities and take into account our limited resources, our attempt to achieve them all would get us nowhere. Therefore, I would only put forward the following three proposals which, I think, should warrant our immediate attention.

First, the class size should be reduced. Large class size poses problems to both teachers and pupils. We must realize that teaching and learning are inter-related and are a two-way process. A teacher who has to take care of 40 pupils at one time

will find it too much for him. Similarly, the 40 pupils who are under the guidance of only one teacher may feel that they are being neglected. Under such pressure, teachers with fervent idealism will hold on enthusiastically and keep on guiding their pupils with patience. But God knows how long their enthusiasm will last. I also believe that some teachers did once try their best to teach. But under so heavy the pressure, some of them were bound to feel discouraged and frustrated, and their teaching enthusiasm dampened. Teachers, after all, are only humans.

Therefore, we must take immediate action to provide our teachers with a good teaching environment and our pupils with a good learning environment if quality education is to be ensured. I suggest reducing the size of a class from the existing 40 or 42 to 30. This will improve the ratio between teachers and pupils. Only by reducing the class size can our teachers take good care of their pupils' academic needs and emotional problems. Since resources are very limited, I think that the urgency of reducing the class size is greater than that of introducing whole-day schooling. I urge the department concerned to give the reduction of class size the top priority.

Secondly, the education system should be altered to an eight-year free and compulsory basic education and three year free but not compulsory secondary education followed by vocational training or a two-year matriculation course. As Prof Felice LIEH MAK has said just now, the nine-year free and compulsory education has created a lot of problems. In the years of 1974 and 1975 when the green paper and white paper on the development of secondary education were released respectively, I suggested to replace the nine-year free and compulsory education with eight-year compulsory basic education. The eight-year compulsory education I proposed can also provide all school-age children with a chance to receive free and universal education. And primary school pupils should be arranged to complete their eight-year basic education in the same schools in the neighbourhood. Our pupils would then no longer have to undergo the pressure of tests and assessments when they go up from Primary VI to Secondary I at the age of 11, neither do they have to adapt to a new school environment when they go up to Secondary IV at the age of 14.

After the eight year basic education, pupils will have to sit public examination or assessment test. They will be allocated to different types of secondary schools or vocational training institutions according to their assessment results and the selection criterion of various schools. This system will bring about positive competition among schools, which will thus encourage the teachers to teach their

pupils in accordance with their aptitude and be able to train and bring up talents. As for the pupils, they should have a clearer picture of their own abilities and try their best to compete to get into a school which they find ideal and suitable for them. The ultimate aim is to improve the quality of schools as well as the standard of pupils and put resources to better use. After another three years of secondary education, pupils will be required to sit another public examination. If good results are attained, they will be allowed to attend matriculation course. After that, they will get into another competition with other pupils for university places.

Thirdly, exchange programmes with overseas education institutions should be provided for teachers. The major job of teachers is to teach. However, they also have to keep learning in order to forestall slippage of their teaching quality and not to be out-dated. The Government should provide teachers with more in-service training, like courses on the latest teaching methods. Besides, the Government should arrange some teachers exchange programmes. For instance, exchange programmes for English teachers with their counterparts in the United Kingdom and other English speaking countries, and for Putonghua teachers with Chinese teachers in China. These programmes will not only improve the skills of the use of languages but also strengthen the status of Hong Kong as an international city in the former case and increase the knowledge of our teachers on the education system and social culture of China in the latter case at the time when Hong Kong is soon to be returned to China.

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

SECRETARY FOR EDUCATION AND MANPOWER: Mr Deputy President, I have listened attentively to Members' views on the motion this afternoon. A central theme which runs consistently through the many constructive speeches is that more needs to be done to enable our primary and secondary school teachers to do a better job.

I can readily identify with these sentiments. Teachers have a pivotal role to play in the education of young minds and in ensuring the quality of that education. The Government recognizes this and has introduced various improvement measures over the years to better equip teachers for their mission. We realize that these individual measures, while useful in themselves, are not enough, because society is constantly moving on and the community's expectations of our teachers keep on rising. What is needed at this juncture is a comprehensive review of the full range of issues associated with the preparation, development and deployment of the teaching force, including the very items listed in the motion before us. And they are precisely what

the Education Commission has been examining thoroughly over the past 18 months. The outcome of the Commission's deliberations will be released in a few weeks' time in its fifth report. The education community and the public at large will have the opportunity to study and comment on the recommendations over the summer, before the Government decides on what policies to adopt.

While the Education Commission is still working hard to finalize its report, it would not be appropriate for me to prejudge the specific recommendations it will be making on the various issues listed in the motion, not to mention the public comments and the Government's eventual decisions on those recommendations. Nevertheless, today's debate does give me an opportunity to take stock of what has been done to date to make the life of a teacher less onerous, and to provide a contrast to the somewhat gloomy picture that some people have tended to paint of our education system.

Let me start with the physical environment. Since 1990, six new primary schools and 14 new secondary schools have been completed to improved standard designs. These provide, respectively, 32% and 15% more space than the former designs, as well as added flexibility to meet modern educational needs. Moreover, the new schools are equipped with micro-computers to help cope with the many administrative tasks associated with normal school operation. There is also an on-going programme to upgrade the older schools by providing three additional functional rooms in each of them. To date, such conversion work has been completed in 53 schools, and eight more will undergo similar conversion in this financial year.

Another major effort to improve the working environment for teachers is the Noise Abatement Programme involving the provision of air-conditioning and double glazed windows for schools affected by traffic and other environmental noise. Work on 85 schools has been completed. Another 79 are in the programme, with work on 24 of them expected to be completed by September 1992. I should also mention that, apart from this programme, over 100 schools have had their staff rooms and general offices air-conditioned since 1989. These improvements represent significant capital investment. For example, the cost of a standard primary school has increased from \$16 million to \$30 million, an increase of 88%. The cost of a standard secondary school has gone up by 25% from \$28 million to \$35 million. The Noise Abatement Programme has cost \$140 million up to now.

With regard to reducing the non-teaching work of teachers, primary schools are now provided with one or two clerical staff, depending on school size. Secondary

schools are provided with a block grant which includes the notional establishment of one secretary, one typist and two clerical officers (for a 24-class school). These levels of provision should be adequate at most times, although we recognize that there is a particular problem at the beginning of the school term, when applications from parents for various kinds of financial assistance have to be processed with the help of the schools and some, if not most, of this work has fallen on teachers. To some extent, the provision of computers for administrative purposes in schools would alleviate this burden. So would a streamlining of the application procedure, which the Student Financial Assistance Agency is examining. However, the seasonal nature of the extra workload suggests that the answer lies, not in providing more clerical posts, but in more flexible use of resources through hiring temporary or part-time staff. Secondary schools have this flexibility already. We plan to extend the same arrangement to primary schools under the School Management Initiative.

Despite recent expressions of concern, in the context of the debate regarding the repeater allowance, over the workload of teachers, the teacher:pupil ratio in Hong Kong has improved significantly over the past decade in both primary and secondary schools. The ratio for a standard secondary school is now 1:22, not counting the separate provision of split class teachers and additional teachers for schools using Chinese as the medium of instruction. The corresponding ratio for primary schools is 1:27. These levels of provision put Hong Kong on par with Singapore and Taiwan, albeit still admittedly some way behind Japan, the United Kingdom and the United States. They also mean that, although the class size has remained generally at or close to 40, teachers nowadays have fewer assigned periods, thus enabling them to handle the extra demands that mass education has brought into schools.

On teacher training and development, an impressive range of 20 in-service courses has been offered to help teachers develop professionally. Some of these courses have been made pre-requisites for promotion. Through its Advisory Inspectorate, the Education Department advises and assists teachers actively on all matters relevant to subject teaching in schools. These include the issue of curriculum guidelines to schools covering all levels of education. In-service refresher courses are also organized to provide induction for new teachers and training for senior teachers and panel heads. Furthermore, the Department has established 21 teaching and resource centres for different subjects in various locations to provide centralized sources of reference and resource materials, as well as venues for interaction amongst teachers. As a major initiative to promote professionalism amongst teachers, the Education Department has supported the establishment of the Hong Kong Teachers'

Centre which was opened to all teachers in June 1989. It is a multi-faceted, multi-purpose centre managed by a representative body of teacher organizations in Hong Kong. It aims to promote continuous professional development and enrichment among teachers, and to foster among them a greater sense of unity and professionalism in a friendly, encouraging, and non-hierarchical environment.

With regard to graduate teaching positions within public sector schools, the Government's current policy is to provide for 70% of secondary school teaching posts to be filled by degree holders; the remaining 30%, together with all primary school teaching posts, are filled by non-graduate teachers. An improvement already made is the provision of opportunities for some primary school headmasters to undergo studies for the B.A. in Primary Education at the Chinese University of Hong Kong. Further improvements in terms of the provision of new graduate positions are the subject of consideration by the Education Commission.

I now turn to the question of funding. The improvements I have mentioned will continue to be supported as part of the normal activities of the Education Department. As a result, the unit cost of educating a pupil will increase, not decline. However, the rate at which increases can be achieved is often not totally dependent on a willingness to spend, but on how worthwhile initiatives can be implemented through the system. Here, I wish to digress a little to respond to a specific point made by Mr CHEUNG Man-kwong on the apparent discrepancy between local aided schools and English Schools Foundation (ESF) schools. The Government's policy is to provide ESF schools with no more subsidy than that available to local aided schools. This is the parity of subsidy principle established since 1980. The extra facilities that ESF schools provide are funded entirely by parents who pay substantial fees. By comparison, the parents of pupils studying in aided schools pay nothing up to secondary three or up to only about 5% of ESF fees at senior secondary level.

Having said all that, I agree that the allocation of additional funding for the schools sector will be the single most important factor in improving the quality of education for the immediate future. I am glad to say that the new allocation of \$300 million over three years, which I announced in this Council on 1 April, together with the support given by Members for that allocation to be spent on outstanding improvement items from earlier Education Commission reports, has put me in the happy position of starting with a clean slate with regard to the funding of new policies to emerge from ECR No. 5. I cannot today anticipate what these new policies will be, and it would be irresponsible of me to make any specific promises at this stage. But

I do undertake to alert my colleagues in the Administration to possible funding requirements and to bid for the additional resources necessary to implement new policies at the earliest possible opportunity.

To conclude, Mr Deputy President, the Administration fully accepts the need to improve further the quality of our school education. This is, of course, not to say that the quality of education that we are already providing is anything that we need to be ashamed of. The Administration fully supports the spirit of the motion before the Council. We have taken careful note of the observations and constructive suggestions made by Members today and will consider them carefully and positively. However, until we have seen and studied the outcome of the Education Commission's deliberations, we are not in a position to give clear specific commitments regarding further improvements in all the areas listed in the motion, particularly as regards the "move towards the target of an all degree-holding teaching force" which takes us beyond existing policy. For this reason, the ex-officio Members will abstain from voting on the motion notwithstanding the Administration's support for the spirit behind it.

Thank you, Mr Deputy President.

MR TIK CHI-YUEN (in Cantonese): Mr Deputy President, the spirit of the motion moved by me today covers the following three aspects. First, it urges the Government to increase the provisions for primary and secondary education. Secondly, the funding should be increased with effect from the next fiscal year and meant to be a long-term commitment. Mrs Rita FAN asked me a question a while ago and I hope to give her an affirmative reply now. Next year will be the start, not the end. It is meant to be a long-term commitment. Thirdly, we have made many substantive proposals just now, such as raising the professional standard of teachers and improving the teaching environment. We have heard very clearly by now that there is a decline in the quality of primary and secondary education. I would like to make the following two points:

First, although primary and secondary education does not have enough funding, we should not contemplate trimming back tertiary education. We are not to use the method of juggling with resources to solve the problem of the shortage in the area of our primary and secondary education.

Secondly, we should not sacrifice primary and secondary education for the development of tertiary education.

During the debate, Members have mentioned many existing problems with education. I have discussed the issue of education with many people from different sectors and gathered some information before I finally came up with the proposals I have just made. I think that they are more important and need to be addressed urgently. Of course, there are other problems to which the Government must pay attention, like whole-day schooling, floating class and class size. All these problems need to be addressed. As for setting priorities, I of course hope that the public can give us their views so as to enable the Government to set priorities at a time when resources are so very limited.

In this speech, the Secretary for Education and Manpower said that he well understood the problems with education. I really appreciate his frankness. But I cannot help feeling disappointed. In his speech, Mr CHAN made two points which seemingly responded to the questions we raised. First, he said that the items we discussed today had already been included into the ECR No. 5. Under such circumstances, he said he could not reveal further information. I believe that Members' concerns over education are no less than those of the Education Commission. The information we possess and the analysis we have made of it may be very similar to that of the Education Commission. This is just natural and reasonable. I do not want the Government to delay the implementation of the improvement measures just because it is now preparing the ECR No. 5. Once we have policies, we must allocate funds to get them implemented. I hope that what has happened to the ECR Nos. 3 and 4 will not happen again. I am confident that the ECR No. 5 will cover what we have discussed today. We have already heard the prelude; the Government should show its bona fides and start right now to plan for additional funding in the next Budget.

Secondly, Mr CHAN, in his reply, was trying to tell us that the Government had done a lot of work and made a lot of improvements. In fact, many problems still exist. The work he has described might not be able to solve all the problems. In other words, Members are not satisfied with what has been done. The Government is thus urged to further make improvements.

Today's debate would seem to have given Mr CHAN some pressure. But I would like to tell him that we actually wish to help. I hope our expressed views may help him

in his negotiation with officials in charge of finance for additional funding for education.

I believe that Members and I will try very hard to follow up with the problems identified today. This debate is only a start. We will continue to express our views in future Legislative Council meetings, OMELCO panel meetings and other forums. Mr CHEUNG Man-kwong has mentioned the goal for an all-graduate teaching profession, which I believe is a very long-term task. It is also my belief that we must grasp every chance to reach for this goal during the lifetime of Mr CHEUNG and myself.

A few months ago when we discussed the Budget, the Financial Secretary said, "Members' views come too late. Changes to most of the Budget proposals are impossible now." I have pondered long and hard on his words and I have already learnt them by heart. What we have discussed today (13 May 1992) regarding next year's Budget should be early enough. I hope that the Financial Secretary will remember clearly what we have discussed today.

Lastly, I must thank Members again for their participation in this debate and the invaluable views given to me prior to the debate.

Question on the motion put and agreed to.

5.46 pm

DEPUTY PRESIDENT: I propose now to take a short break. I understand that there will be a meeting of the Finance Committee during the break. Council will therefore resume after that meeting.

6.43 pm

DEPUTY PRESIDENT: Council will now resume.

IMPACT OF THE AIRPORT CORE PROGRAMME ON PUBLIC EXPENDITURE AND PEOPLE'S LIVELIHOOD

MR ALBERT CHAN moved the following motion:

"That, in view of the recent completion of financial feasibility studies on the Chek Lap Kok Airport and the Airport Railway, as well as the latest financial estimates of the Airport Core Programme, this Council requests the Government to ensure that Government expenditure on the Airport Core Programme will not have any material effect on public spending on social services and other public works projects so as to safeguard the quality of life of the people of Hong Kong."

MR ALBERT CHAN (in Cantonese): Mr Deputy President, I move the motion today chiefly because the Airport Core Programme (ACP) is so immense in scale that it will have far reaching consequences on people's livelihood and the community as a whole. And the issue of the airport is just like a black hole sucking into its vortex the interests of the different social classes. We are gravely concerned about problems arising from the ACP, such as escalating costs, the controversy over tender procedure, fear of cost-overrun and possible cutback on social services spending.

Hong Kong is a place of myths; it has created one miracle after another. It has evolved from an ordinary fishing village into an internationally renowned modern city and world trade hub. Hong Kong is the largest gold market in the world, and the third largest international financial centre. Hong Kong ranks among the top five in terms of airport passenger volume and freight volume; its container industry is the best or the second best in the world.

But the mythological world is more complicated than the glitters that meet the eye. Many people in Greek mythology, for example, are not masters of their own fate and they indeed live miserable lives. In the mythology that is Hong Kong, people have to contend with problems of livelihood. For example, Hong Kong people are faced with the worsening crime problems. Residents of the new towns have to put up with the hardships of inadequate transport and public facilities. Indeed, dangerous slopes which the public have been so concerned about in the past few days have struck again, resulting in heavy casualties. Hong Kong has still a squatter population of 290 000; most of them reside on dangerous slopes. In terms of welfare services, the basic rate of public assistance for the individual is only \$745; there is a queue of 1 100 severely mentally handicapped people waiting for placement in adult training institutions.

Mr Deputy President, government planning for the building of a new airport dates back to the early 1970s. In February 1983, the then Financial Secretary, Sir John

BREMIDGE, announced temporary suspension of the new airport plan. Towards the end of 1986, a number of local private consortia presented a package of proposals to the Government regarding the construction of airport, port and roads, and the use of land within the airport parameters. The Government reaction at the time was not enthusiastic. In the Policy Address in 1989, the Governor officially unveiled the port and airport development strategy, costing \$127 billion, together with the decision to locate the new airport at Chek Lap Kok of Lantau Island. Subsequently, in September of 1991, the Chinese and British Governments signed a Memorandum of Understanding on the Hong Kong new airport, listing out that the ACP would consist of 10 independent work projects.

The building of the new airport is another project of mythical proportions. The Government plans to complete the ten ACP projects costing hundreds of billions of dollars within a short space of five years. I believe there is no other place in the world which has this kind of drive and stamina; the whole ACP is to go ahead in the latter half of the transition period. Cost estimate of the airport project by the Government was \$98.6 billion last year; it then rose sharply to \$112.2 billion this year. The price tag will eventually come to as much as \$171.6 billion. The escalation is really shocking.

The Governor had the support of many people when he announced the port and airport project in 1989, but there were also concerns expressed in some quarters that the building projects will translate into a heavy burden for society. As recent signs indicate, such concerns are very real indeed. The United Democrats of Hong Kong (UDHK) are very concerned about the impact of the new airport on people's livelihood. I, together with my UDHK colleagues in this Council, will speak on this issue from different angles.

First of all, I would like to say that all government projects will bring benefit or loss to different groups in society, each to a more or lesser extent. Given the enormous cost of the ACP, it is upon the Government to intervene appropriately, as and when it becomes necessary to do so, in order to forestall any one group from benefiting too much from the infrastructural projects, and any other groups from suffering too much loss as a result. Of course, the best scenario is for every one to benefit, but this is all too unlikely. In this connection, social benefits and costs must be fairly and reasonably be apportioned and shared.

Although the Government has time and again reiterated that the building of the

new airport will give impetus to Hong Kong's economic development to the benefit of Hong Kong people. But from the perspective of the general public, such economic benefits are much too remote, and if past experience is anything to go by, the lower class is not able to sufficiently benefit from the fruits of social prosperity.

The foremost and largest beneficiaries of the new airport project are participants such as the overseas contractors, big consortia, consultancy firms of every description, real estate agents and the financial sector. Many development and consultancy services involved in the ACP require sophisticated technology and expert knowledge. It is expected that these services will be monopolized by the overseas consortia and consultancy firms. Of the 38 airport engineering consultancy contracts granted so far, 70% have gone to British firms with the remainder won by Dutch and American firms.

Overseas consortia, be they British, American, Japanese, Chinese or Dutch, are gearing up to compete for a share of the engineering contracts of the new airport. The airport project is like a piece of fat meat which will be partitioned by the various consortia; there is nothing much Hong Kong people and local firms can do except to stand by and watch while this takes place.

Meanwhile, the building industry and the building material sector will be able to reap considerable profit from the infrastructural contracts and the supply of material resources. It is estimated that the developers will be able to benefit, as a result of the airport project, in no small way from the redevelopment of West Kowloon, the property development along Airport Railway line and the reclamation works which will take place in Lantau Island, Central and Wan Chai.

While the ACP projects are contracted out, public spending will continue to rise. Capital Works Reserve Fund can be seen to have grown by over 40%, compared with last year. By comparison, growth of individual government departments for 1992-93 has been controlled within a meagre 1%. Even police and social welfare are not spared, to say nothing of the departments which are not able to grow at all. Cutback on departmental spending will increase from 1% for 1992-93 to 2.7% for 1993-94, and then to 2.6% for 1994-95. Insofar as recurrent expenditure is concerned, one can see that spendings on social welfare, education and health services, all of which have a bearing on people's livelihood, are allowed to grow by only 2.8%, 1.6% and 2.7%, respectively. If we take inflation into account, these services have a negative growth of about 8.9%. Since users of such services are mainly the lower and middle

income groups, their interests have to be sacrificed for the building of the new airport.

Meanwhile, the Government has recently applied the principles of "cost alignment" and "user pays". This has effectively passed the cost of service partially on to the lower and middle income groups. No wonder people are saying that the public are being milked for the rose garden being built.

The UDHK would like to reiterate that the annual increase of spendings on medical services, social welfare, education and public housing should not be less than economic growth in real terms.

The Government estimates that between 1991 and 1995, the major engineering works will come to \$55.9 billion and the expenditure on the ACP projects will reach as much as \$37.2 billion, accounting for two thirds of its total public works expenditure commitment. By 1997, the Government estimates that the total expenditure on public works of the ACP engineering projects will be as much as \$42 billion.

Meanwhile, the Government reiterates that the airport project only accounts for 25% of its recurrent expenditure. But that is only a means of concealing the airport cost. Apart from diverting funds from the Capital Works Reserve Fund and the Capital Fund for the building of the airport, the Government also uses the departmental resources under recurrent expenditure to meet the administrative spending and the costs of conducting studies on the engineering and other aspects of the airport project. The day-to-day work of the public sector will definitely be affected with the cutbacks already instituted and the need for new resources to be made available for the building of the airport. Take the Civil Engineering Department as an example. Ninety staff will be added to the department for 1992-93 to conduct the ACP projects. But non-ACP projects, such as the large sewage treatment plant and a number of other basic community facilities, are not able to receive funding according to original plan and time frame; some of them have even been cancelled or indefinitely postponed.

The Government has already been required to cut back on a multitude of items to do with people's livelihood and social investment, even in the initial phase of the airport building project. One does not bear to think of what measures the Government will resort to, when the airport project is in full swing, particularly between 1994-96, in order to cut back on social services and non-ACP public works spending commitments.

The myth surrounding the ACP is actually full of treacherous traps which will betray the unwary with grave consequences. The above impact of the airport on people's livelihood is only a very conservative assessment. According to the recently released financial arrangements for the Airport Railway and the new airport by the Government, the public will discover that the Government commitment has increased consistently. It is believed that this will further erode public expenditure on other social services and it will eventually affect people's livelihood.

In July 1991, the Government anticipated that the ACP would cost \$98.6 billion, with 60% of which, or \$59.3 billion, coming from the public purse. The cost shot up to \$112.2 billion in March 1992, but the Government was still saying that it would only have to contribute \$59.3 billion, or under 60% of the sum. It would appear that the government commitment has been proportionally less than before, but it is in fact a numbers game. Apart from the \$59.3 billion committed, the Government will also have to provide callable equity of \$12.9 billion, and a contingency fund of \$2.5 billion to the Airport Authority (AA) and the Mass Transit Railway Corporation (MTRC), adding up to a total of \$74.7 billion. That is only the financial commitment for 1991. It does not include the loss of revenue due to delayed payment of dividend by the AA and the MTRC, and compensation due to delayed work completion. Neither does it include delayed payment for traffic control and meteorological services by the AA. It also takes no account of the unlimited financial guarantee given by the Government to the AA. The financial commitment of the Government to the ACP will eventually amount to over \$100 billion.

The most important thing is that the MTRC and the AA will by 1997 each have borrowed up to \$48 billion and \$37 billion respectively, and \$35 billion out of the \$48 million loan secured by the MTRC will be for the building of the Airport Railway. Put in another way, in 1997, the new borrowing of the two institutions will total \$72 billion. The MTRC and the AA are corporations which are wholly owned by the Government; the total reserve by 1997, according to government estimate, will only be \$71 billion. The \$72 billion does not even include the reserve capitals provided for the MTRC and AA, respectively, \$12.5 billion and \$8.5 billion. The claim that the government commitment will be no more than 60% is completely untrue. I think it is up to the Government to explain in detail how this kind of financial arrangement will affect its financial position and other aspects of its operation over the next five years.

Given the fact that the government financial commitment is actually far more than

60%, the UDHK suggest that the Government should give consideration to other financial arrangement and encourage private sector to actively participate in the airport and ACP projects with a view to reducing its own total financial commitment.

Mr Deputy President, in the mythological world, time is not an important factor. In the real world, everything we do is subject to a time factor. The Government plans to complete the 10 mammoth ACP projects in five years, but given the limited time we have, it is extremely likely that costs will continue to escalate. The main reasons are as follows. First of all, performance bonds and bidding price will rise accordingly. For example, the Tsing Ma Bridge contract has been awarded to an Anglo-Japanese group, at an extra cost of \$2 billion as performance bonds, for fear that the original bidder, a Korean group, will not be able to complete the project on time. Secondly, cheaper construction method cannot be used. For example, given the urgent time frame of the new airport reclamation works, the cheaper way of reclamation by the marine method cannot be used. Thirdly, the Government will have to make various forms of financial compensation if the airport railway and the future airport at Chek Lap Kok cannot be completed on time. The end result of all this will be price escalation due to inadequate supply of materials and manpower resources.

Although the Government has reiterated time and again that the ACP is integrated and inseparable, and that the projects have to be completed before 1997, the UDHK believe that haste will only add to the cost and aggravate inflation. No rash decisions should be taken on the projects without careful planning. The UDHK believe that the Government should, in accordance with practical needs and its economic strength, modify the original plans where necessary. If the economic burden is too heavy, then consideration might be given to extending the completion dates of individual projects.

Mr Deputy President, in closing, I would like to say that while there are people who pin great hopes on the mythical plan of our new airport, there are others who are gravely concerned about it. I could only hope that the public would not play a tragic role in this mythical story; that every resident of Hong Kong would be able to benefit from the new airport project.

Mr Deputy President, with these remarks, I beg to move.

Question on the motion proposed.

DEPUTY PRESIDENT: In view of the voluntary restraint that Members have placed upon the length of their speeches, I hope to be able to call on the Financial Secretary to speak at 8.43 pm. And as there are 19 Members who have indicated a wish to speak, this means that the average speaking time per Member will be just over five minutes. Additionally, two Members have indicated that they wish to speak out of turn because of other commitments. I propose to accommodate them unless I hear an expression of dissent.

MR HUI YIN-FAT (in Cantonese): Mr Deputy President, government officials have very often explained to the public and Members of this Council recently in press conferences or briefings the decision-making process regarding the financial arrangement and the tendering for and awarding of contracts in respect of the Airport Core Programme (ACP) projects in a bid to allay the fear and the worry of the public. Unfortunately the effort obviously has failed to achieve its intended result. One of the reasons is of course that the decision-making process has not been transparent enough to enable the Airport Consultative Committee to fulfil its function as a monitoring body. Several committee members strongly criticized the Government's arrangements in various respects of the ACP projects in a press conference not long ago; this definitely was an expression of what they actually felt. Secondly, given the insufficient transparency and the fact that most of the major contracts of the ACP projects have been awarded to UK or UK-related consortia, people are even more sceptical about the neutrality of the Government in this respect. Many people are even of the view that the more keen the Government on this matter, the more evident its protection of the interests of the United Kingdom will appear to be. More to it the Government has, within only 13 months, re-adjusted the estimated total cost of the ACP projects to \$160 billion, a 45% increase over the original estimate. This has resulted in the public's discontent with the Government's performance and capability in the control of expenditure and the worry that the construction cost may eventually reach an astronomical level which would far exceed the affordability of our economy.

Nevertheless I am most angry and disappointed at the Government's unconcerned and indifferent attitude in addressing the various pressing social problems despite it being a known fact to the Government that no one would believe the ACP projects would not affect the people's livelihood and various social services. Take this year's Budget as an example. The Government's need to finance in the future the new

airport project and leave behind a reserve to the future government upon the transfer of sovereignty does have a direct bearing on its rejection, categorically, to make further concession in the raising of personal tax allowance and greater financial commitment to various social services such as medical, education and welfare in order to cope with the actual needs in social development. Moreover, the expenditure of the mammoth infrastructural project will inevitably push up the runaway inflation to a even higher level. Before people can gain the advantages to be brought about by the infrastructural project, such as more job opportunities and increase in wages, they have already had to suffer a loss in buying power. Yet the Government until now still has failed to put forward a convincingly long-term proposal to combat the inflation.

Mr Deputy President, the Government is obviously doing a thankless job in its endeavours to push forward the new airport works programme. The best solution is to enhance the transparency of the decision-making process in this respect and more importantly, to respond with a positive attitude to the various kinds of pressing problems concerning the livelihood of the people so as to balance the interests of all sectors and to maintain a stabilized society. Take the social welfare sector as an example. Given that the problem of suicide amongst primary and secondary schoolchildren tends to worsen -- a recent survey in Shatin revealed that nearly 30% of the interviewed secondary students admitted that they had had the idea of committing suicide, the Government should strengthen the counselling service such as by lowering the ratio of school social worker/student to 1:2 000, in order to show that the Government attaches importance to the "future pillars" of society. I have time and again pointed out in this Council that the construction of the "Rose Garden" is not the only landmark of an honourable British retreat from Hong Kong. The Government should make positive investment in the social services and the improvement of the people's livelihood, thereby continuing the building of an image that the Government cares for the community, thus winning the people's trust. With these remarks, I therefore support the motion.

MR LEE WING-TAT (in Cantonese): Mr Deputy President, the impact of the Airport Core Programme (ACP) on people's lives should be an issue of public concern. Today, I will focus on the impact of the Airport Railway on future railway fare levels.

When the Government made the decision to let the Mass Transit Railway Corporation (MTRC) build and operate the airport railway and the Lantau railway, one issue which

received a great deal of public attention was whether commuters of the present railway system will be made to pay for the huge cost of building the Airport Railway. That scenario was refuted by the Transport Branch as well as by the managers of the MTRC, but how will things really develop?

The 1991 Annual Report of the MTRC indicates that, despite the modest 1% passenger growth in 1991, corporate revenue has actually risen by 12%. The rise is evidently associated with the fare rise, and indeed the MTRC has managed to reap a net profit of \$67 million, even without any income from property development at all last year. The corporate performance has been the best in the last 10 years. Revenue of the MTRC has been growing at the rate of over 10% each year for the past 10 years. But the mammoth debt of the MTRC means that it has to pay considerable loan interest each year. Over the past 10 years, interest on loans went from \$400 million in 1982 to as much as \$1.58 billion in 1990. Even in 1991, the MTRC still needs to pay \$1.45 billion in interest.

The past year has begun to see some improvement in the liability situation of the MTRC. Although it still has a foreign debt of \$18 billion, the ratio of interest payment to total revenue has begun to fall. In 1982, that ratio was 90%; it has gradually fallen to 41% in 1991.

Generally speaking, although it has a debt of \$18 billion, with its total revenue increasing year after year and the fall in loan interest, the MTRC has a healthy financial position.

According to the analysis of the Financial Controller of MTRC, if we disregard the financial arrangement for the Airport Railway, the existing railway lines will enable the MTRC to pay off its debt by 2000. Put in another way, by the year 2000, the MTRC will have no financial interest payment and this will sharply reduce its total expenditure and the corporation should be able to increase its fares at a rate lower than inflation. Over the past 10 years, Consumer Price Index (A) has gone up at an annual rate of about 8.9% on average; the average MTRC fare increase per year has been only 7.6%. Given that over the past 10 years, with the MTRC beset with high financial interest payment, the annual fare increase has been kept under the inflation rate of 13%, it is to be expected that over the next several years, with gradually falling financial interest payment, the scale of fare increase should slacken significantly.

The spokesman for the MTRC has always stressed that the alignment of future fare

increase for existing lines with inflation is a deceptive ploy aimed at using the enormous surplus of the existing railway system to finance the building of the Airport Railway and to offset the losses resulting from its operation in its early stages. The United Democrats of Hong Kong (UDHK) have requested that the three existing railway lines should be separated from the account of the Airport Railway line in order to facilitate members of the public to better understand the existing and future operation of the railway systems. The request has been rejected by the Government and the MTRC. The rejection in itself was a reflection of the reluctance by the MTRC to let the public find out the extent of cross subsidy which may exist between the two railway systems.

Lastly, because of the time constraint, I will only make four suggestions. The UDHK has the following suggestions regarding the fare structure of the existing railway system, the Airport Railway and the Lantau railway.

(1) We accept and support the principle of cross subsidy regarding domestic lines (for example, Kwun Tong, Tsuen Wan, Hong Kong Island and Lantau Island).

(2) The Airport Railway should not be subsidized by the existing lines; its fare structure should be set at the highest level possible without undermining its competitiveness.

(3) Before 2000 the three existing lines should have fare increases which are lower than the average increase over the past 10 years; after that year, fare increases should be even less proportionally.

(4) The Airport Railway account should be treated separately from that of the other railway systems.

With these remarks, I support the motion of Mr Albert CHAN.

MR PANG CHUN-HOI (in Cantonese): Mr Deputy President, before the Memorandum of Understanding was signed between the Chinese and British Governments, I made at an OMELCO panel meeting held on 4 July the point that the Hong Kong people generally

have some misgivings about the enormous project. They mainly worry that the Government would try to raise all capital it can to cope with the enormous project and this would in turn affect the allocation of resources for other purposes. Now, even before the airport project gets into full swing, cost estimates have already been repeatedly revised. It would seem that the rose garden plan, which has taken so long to take shape, will bring harm long before it brings benefits to Hong Kong. It has become such a big drain on our resources that it actually threatens our quality of life.

I already observed at the Budget debate that the new airport was the main preoccupation in the drafting of the Budget. The Budget presented by the Financial Secretary includes the expenditure plans for the next five years, laying the groundwork as it were for the reservation of over \$70 billion for 1997. This has come under public criticism and it has been pointed out that the move to allow the financial needs of the new airport to take precedence, and the consequent cutback of 1% on departmental expenditures, is in fact made at the expense of the public need for more social welfare, medical and health services and education. However, the Financial Secretary has refused to admit that this is the case, in much the same way that he will not admit that the freezing of rates increase has been due to the opposition voiced in this Council.

The general public is quite justifiably concerned about the constantly revised cost estimates for the new airport. I do not think the Government will have an answer to questions like whether the cost estimates will continue to be revised, and how much money will eventually be used.

Indeed, inflation and cost estimate increases have a bearing on each other. Failure to adhere to the cost estimate will stimulate inflation; aggravated inflation will also lead to cost estimate increases.

And increased cost will also result in increased cost of using the new airport and its related facilities, upon the completion of the airport. The constant revision of the cost estimates for the airport translates into increased cost, whether we call it cost overrun or not, and it has to be borne by Hong Kong people and the community as a whole eventually.

Another cause of public panic is the inadequacy of data on the new airport. Although the data may involve technical issues which may not be intelligible to the

man in the street, yet Hong Kong people at least have the right to know. The lack of transparency will no doubt give rise to public misgivings. Is the money of Hong Kong people going to be spent for the good of Hong Kong? At the same time, I believe Hong Kong has enough people with the expert knowledge to play the role of a public watchdog.

It goes without saying that Hong Kong people would like the new airport to be not only cost-effective, but also a provider of job opportunities for local workers; they also wish to see professional talent trained to work for the enormous airport project. However, it is regrettable that, as colleagues from the related functional constituencies have pointed out earlier, the building of the new airport will be under the leadership of foreign firms and the opportunity of local professionals to learn about designing the new airport has been denied. Local firms cannot join the upper echelons to learn their management techniques; they are reduced to doing the donkey work. The sharp reduction of other infrastructural projects, due to the building of the new airport, will effectively reduce the business of the local manufacturing and engineering sectors. That is a negative impact which has not been anticipated in the airport project.

According to a survey conducted by a committee under the Vocational Training Council, the manufacturing sector will need over the next 10 years an additional 550 technologists, 1 300 technicians and 2 800 craftsmen every year. This projection has not taken account of the additional manpower resources required for the new airport and related works.

The Government can actually, in the light of these circumstances, do something for the workers of Hong Kong. Proper training courses can be provided for our construction workers to enable them, in the face of the economic transformation of Hong Kong, to be promoted to work managers and supervisors after receiving appropriate training; this will in turn raise the technical standard of local workers generally. However, most of the work projects have been contracted out to foreign firms. And it is for this reason that I think the Government need to do some serious reflection.

Mr Deputy President, I so make my submission.

MR TAM YIU-CHUNG (in Cantonese): Mr Deputy President, the revelation by the Government recently of some of the latest cost estimates of the Airport Core Programme (ACP)

has met with surprise and grave concern from various sectors of the community. The sharp increase of the cost estimate of the ACP within the short space of less than one year has raised doubt about whether the airport project will eventually become, due to the never-ending cost overruns, a black hole of financial commitment for which Hong Kong people will eventually have to pay an extremely heavy price.

The Government recently revealed that the 10 ACP projects will cost \$112.2 billion, which is 14% more than the earlier price tag of \$98.6 billion disclosed last year. If we go by the projection of the Provisional Airport Authority that the final cash price of the airport will be 45% up on the price of March 1991, then the final cost of the ACP projects may eventually be more than \$160 billion. In this scenario, even discounting inflation, given Hong Kong's population of 5.6 million, it would mean that each one of us has to pay out close to \$30,000 for the ACP projects. That is indeed a very alarming figure.

The alarm which the ACP raises is not so much the question of cost overrun as the fact that there are a lot of pitfalls in the financial arrangements for the work projects which may turn the airport into an open-ended commitment for Hong Kong. For example, the Government undertaking that it will commit funding to the Airport Authority until the completion of the airport, in the event that it is not able to pay off its debts, is one fraught with the dangers of an open-ended commitment. On a separate issue, one wonders whether the Government will similarly come to the rescue of the Airport Railway with huge funds in the event of the Airport Railway not producing enough profits to enable the Mass Transit Railway Corporation (MTRC) to pay off its debts. That is an issue of grave public concern.

All in all, I have the impression that the financial arrangements for the entire ACP are full of pitfalls which will give rise to cost overrun. This is, I think, the result of a lack of thorough consideration on the part of the Government in the formulation of the ACP and its failure to rigorously control costs. In any case, Hong Kong people have already been made to pay a price for the airport project. The Government has already cut back on social welfare, education, medical and health service and public housing on account of the airport project. The quality of life of Hong Kong people has already been eroded.

In this connection, I appeal to the Government to rigorously control costs. It should not only refrain from favouring certain groups, which may thereby increase costs; it should also make available to the public all kinds of documents relating

to the contract selection of airport works, cost and profit estimates, so that the public may be able to scrutinize them and seek to plug loopholes which may lead to cost overruns. Meanwhile, according to some views expressed in the engineering sector, fixed price contract is a problematic method to use in terms of cost control. It only requires the contractor to bear the cost of the price increases of materials and wage increases. However, if the contractor argues that the cost has risen as a result of necessary alterations to the project, then it is uncertain which party is responsible for the cost involved. This is where the potential danger of cost overrun lies.

Mr Deputy President, I think the phrase, "This Council requests that the Government rigorously control the engineering cost of the airport" should be added to today's motion, because it is where the crux of the problem lies. I do not wish to see the hard-earned money of Hong Kong people being unwisely and improperly wasted in this infrastructural project. I hate to see Hong Kong being engulfed in public discontent and social strife and on the verge of rioting, upon the completion of the ACP projects.

Mr Deputy President, although I am not entirely happy with the content of the motion, I would still lend my support to it.

MR EDWARD HO: Mr Deputy President, the case for the new airport has been widely debated in this Council and in our community ever since the plan to construct a new international airport at Chek Lap Kok was announced by the Governor in his policy address in October 1989. After a long period of negotiations, the Chinese Government and the British Government had finally signed a Memorandum of Understanding to enable the project to proceed. The signing of the Memorandum generated a renewed confidence in the investment climate in Hong Kong. Nevertheless, debates on the project will go on in our community, and today's debate is no exception. But our debate should not be whether a new airport should be built, or by when it should be built.

To say that the beneficiaries of the Airport Core Programme (ACP) project are the financial consortia, the consultants and the contractors are extremely simplistic, misleading and short-sighted. I remember I recounted a real life story last time we debated this subject in this Council where in a radio phone-in programme a Hong Kong resident said that he preferred that he would receive a hundred thousand dollars in cash being the amount which would be the burden of five members for the family,

calculated the total cost and divided by the population.

The construction of the new airport and its associated infrastructure is a capital investment for the future and the return of this investment will benefit Hong Kong in the years after 1997 and our next generation who are the real beneficiaries. The justification for this capital investment has been debated in this Council many times in the past and I do not propose to rehearse that argument again.

Kai Tak Airport has served Hong Kong well from the time that it was merely a landing strip in the outskirts of town to now the fifth busiest airport in the world for international passenger traffic and the fourth busiest for international freight. But despite continued expansion programmes, some of which are even being carried out now, it is quite apparent to anyone that the capacity of Kai Tak will reach its saturation in the not too distant future and it will then place a major constraint on the economic growth of Hong Kong. The removal of Kai Tak will also remove a major source of environmental pollution to hundreds and thousands of residents, and release a huge amount of land for development.

In a keynote address given by Mr Akio MORITA, Chairman of Sony Corporation, to the Asia Society Hong Kong Chapter on 11 May, he attributed Hong Kong's economic success to its being a gateway to China which is at a cross-road of Asia. I agree with him, and to capitalize on that strategic position, Hong Kong must invest on its infrastructure to maintain its edge in international communication and traffic.

There can be no illusion that this type of major investment involves very substantial resources, and no one should be misled that this expenditure will not impact upon other social services programmes and public works projects. Mr Albert CHAN's motion requests the Government to ensure that Government expenditure on the Airport Core Programme will not have any material effect on these programmes. There will be effect, but insofar as there being no material effect, I have no problem in supporting that request. It is only through economic growth that the quality of life of the people of Hong Kong can be improved and this is only through economic growth that we can continue to redress the social problems recognized by Mr Albert CHAN and Mr HUI Yin-fat. This community should know that it is consciously investing for the future to sustain the economic growth of Hong Kong so that those social problems can be solved and improvements can be made. I thus ask for more than what Mr Albert CHAN has asked. I ask for the improvement of the quality of life of our people for the long term and not just to safeguard the quality of life.

In his Budget speech this year, the Financial Secretary has, after accounting for the expenditure on the Airport Core Programme, projected a fiscal reserve of \$71 billion in June 1997. This figure is in addition to the Land Fund which is accruable to the Hong Kong Special Administrative Region as well as the Exchange Fund which will inherit. The Financial Secretary has also assured us that real growth will be given to public spending on social services in the years to come, and it is based upon those financial projections that I believe that the financial plan for the ACP projects can be supported.

Naturally, there are concerns that the ACP projects should be built in the most cost-effective manner and that there is a tight control on budget and programme, also that there is full openness and fairness in awarding consultancies and contracts. I am sure that we are unanimous in this Council that we must ensure that the public interest will be safeguarded in the execution by Government of the Airport Core Programme.

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

MR MARTIN BARROW: Mr Deputy President, I have studied the wording of the Honourable Albert CHAN's motion with interest and wondered whether there was a hidden message. His speech has made it a little clearer as to what he is aiming to achieve and I must express my concern at the danger of confusing the public with too much introspection and apprehension. This is a community which is traditionally optimistic and I fear a continued expression of doubt may cause some to lose their confidence.

I accept his sentiment that the Government should not be diverted into expenditure on the airport core programme at the expense of all other initiatives. There is however no evidence of that. Excessive caution and dilly-dallying has never been the Hong Kong way. Many of us were pressing for decision on a new airport five years ago.

If Hong Kong is to continue to develop as the great international city which it is today, as a leading business and tourism centre, as a hub in East Asia and, most importantly, as the gateway into Southern China we must continue to be bold otherwise Hong Kong will wither on the vine. The motion calls for safeguarding the quality of life of the people of Hong Kong. We are certainly not going to be safeguarding

or improving the quality of life of our people, if we delay the project or scale it down and it would be irresponsible for this Council to get cold feet at this stage.

There will not be funds available for social welfare services or other projects if we do not stick to our last and pursue a high rate of economic growth as the way to prosperity for all the people in our community. Without modern infrastructure that growth cannot be achieved. This is not the time to debate the policy on social welfare but let us remember that this is demand driven. Where people are in need, it is provided.

The remarkable partnership between the people of Hong Kong and its entrepreneurs has made Hong Kong one of the most prosperous territories in the world. Sticking to an economic agenda and a high growth rate is the most efficient and effective way to improve living standards, rather than intervention by Government in an attempt to divert market forces towards particular social or political goals. I do not accept Mr CHAN's assertion that economic growth brings benefit to only a few. By any measurement the rise in the living standards of the people of Hong Kong in recent decades has been quite remarkable by world standards.

Let me now return to the airport. This again is to be a partnership between the Government of Hong Kong and the private sector. The Government could have of course taken a quick and easy route and funded the project using its reserves but that was not the right way forward, which is to encourage private investment for many of the projects in order to minimize the direct contribution of the Government itself. Maximum privatization of these projects is, I believe, the most efficient way to proceed.

This is not the time to rehearse all the arguments on why the decision was made to proceed with a new airport. The Government has done a splendid job in expanding Kai Tak in every possible manner but finally in the 1990s it has become clear that we will have reached capacity. Furthermore, Kai Tak is environmentally unsound as a long term location for an airport. Several hundred thousand people on the flight path will surely welcome the move to Chek Lap Kok. Indeed, we will have a period of constraint until the new airport is open but I would expect traffic volume to grow strongly after the opening of the airport and we should be welcoming well over 10 million visitors here by the year 2000. The pent up demand for travel in East Asia, both in Hong Kong and elsewhere is enormous. Take Japan alone: with a population of 126 million, less than 10% travelled overseas last year. That could easily double

during the next few years and there is no reason why Hong Kong should not have its fair share of those visitors. Similarly, a high growth rate is expected for air cargo, with 23% of our exports by value already going by air. Our tourism industry contributed \$40 billion in 1991 and studies on the economic disbenefits of not proceeding with the airport indicate that disbenefits over the period 1996 to 2010 exceed the cost of the airport.

In conclusion, Mr Deputy President, let us remember again our vision of Hong Kong's future. Our vision of Hong Kong as the commercial capital of a greater China economic entity, servicing what is likely to be the world's fastest growing region over the next 10 years. Anyone who travels around the Pearl River Delta and Guangdong province can see the huge areas laid out for further expansion. Hong Kong's role is to provide the service to support that growth. First and foremost in that task is communication whether through air, sea or land transportation. Our re-exports to China have grown 700 times from 1978 to 1991, and are up 30% in the first four months of this year. I urge the Government to maintain this programme on track and ensure that the new airport is up and running in 1997. It is fundamental to the economic well-being of Hong Kong's people and I hope this will be stressed in the Secretary's answer.

As Mrs Anson CHAN said in her excellent article in a Sunday newspaper Hong Kong has not got where it is today by shying away from making important decisions quickly and then proceeding to implement them wholeheartedly.

Mr Deputy President, although the wording of the motion is neutral I am concerned that Mr CHAN's speech appears to be encouraging a rethinking on various aspects of the project, and I may not support the motion. This will depend on what I hear from other speeches.

MRS PEGGY LAM (in Cantonese): Mr Deputy President, the building of a new airport at Chek Lap Kok, following the detailed explanation offered by the Government, has become an economic reality for the people of Hong Kong. People understand that, in order for Hong Kong to maintain its competitiveness in South East Asia and in the world, we need to have a new airport with a larger capacity and there is no other choice. I fully support the Government in respect of the building of the new airport. However, I am also concerned about what sort of an impact the expenditure on the Airport Core Programme (ACP) and related financial arrangements will have on Hong Kong people's

quality of life.

Admittedly, it is unrealistic to expect a free lunch. Given the size of the engineering works involved, the new airport is a full feast complete with all kinds of delicacies rather than a quick lunch. Indeed, the experience we gained from the building of the Mass Transit Railway is that in order for long-term interest to be achieved it is necessary for the public to make short-term sacrifices. However, the scale of works in the airport project is unprecedented, involving enormous public expenditure. With Hong Kong entering the latter half of the transition period, we have urgent needs to satisfy which relate to people's livelihood. If the Government fails to handle the situation properly, then the sacrifices people have to make will effectively result in erosion of the quality of life for all. In this regard, I would like to remind the Government that, although the Government has already committed itself to huge expenditure for the airport, in terms of allocation of resources and setting of priorities, attention has to be paid to maintaining a balance of the various interests in society, and full development, such that people's quality of life and the environment as a whole will be adequately cared for and protected. Indeed, the delay for several years of a number of work projects and the inadequacy of various social services have already reached critical proportions.

Torrential rains, rather uncommon in recent years, have caused severe flooding and paralysis of traffic in a number of districts in Hong Kong. If we examine the real causes, we can see that the malfunctioning of Hong Kong's drainage and sewage systems is to blame. Water from torrential rains gushing like mad down the streets, washing away pedestrians, and rain water accumulating to a depth of eight feet in certain areas are a rare downtown sight to behold. Indeed, fair comments have always been made on the backwardness of the drainage system of certain areas of Hong Kong; the seriousness and the critical proportions of the problem are unveiled all too well by the spate of torrential rains. In this regard, if the Government should further delay improvement to the drainage system due to its austerity policy, this would have serious consequences. There will be economic and other losses which cannot be compensated for by whatever saving achieved in public spending.

Similarly, the Government has no reason whatsoever to further delay the implementation of improvement works to the dangerous slopes. The mudslips caused by the spate of torrential rains have already taken five valuable human lives. In order to forestall a repeat of tragedy, the Government should expedite the repair works to the slopes. The Government has always, on the ground of avoiding public

panic, refused to publicize the locations of the dangerous slopes. The quick succession of tragedy to tragedy has made us aware of the seriousness of the problem. The Government should step up action as Hong Kong's rainy season begins.

Meanwhile, the Government should also positively and definitely make financial commitments to a variety of social services which have a direct bearing on Hong Kong people's quality of life and the environment generally.

Against the background of a worsening crime situation and increasing violence on the streets, the Government should recognize the uniqueness of the police as a government department. Investment in police strength, equipment and other resources is fundamentally very much part of the investment in our urban infrastructure. This is an area where we cannot adopt a cheeseparating approach.

Also, I am very concerned about the shortage of education resources and welfare funding. It has resulted, respectively, in the deterioration of basic education and its non-convergence with tertiary education; and in the abortion of any important social welfare schemes. Indeed, given that education and social welfare are intimately related to the lives of the ordinary people, it would be most unfortunate if they were to be sacrificed for the sake of the building of the new airport.

Mr Deputy President, recently, stories have been going around that the costs of the ACP will rise phenomenally. People are concerned that the Government has made open-ended financial commitment to the Airport Authority, to the detriment of other public services spending, and therefore the livelihood of the man in the street. Indeed, given the experience of the Government in large-scale infrastructural development projects, it should be able to do a competent job in terms of controlling costs, conducting tender, making financial arrangement and monitoring work progress. What it might lack is adequate communication with China and the general public of Hong Kong. I would want to see the successful completion of the airport by the Government which will not be at the expense of people's livelihood and the overall social development of Hong Kong. One should not lose sight of the trees in one's eagerness to plant a wood.

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

MR JIMMY MCGREGOR: Mr Deputy President, I suspect that some of my colleagues in this

Council feel as I do, that this motion debate is rather unnecessary at this point in time. However, for what they are worth, I shall give my views on the massive new developments in our port and airport infrastructure which fall broadly under the PADS definition and which form integral elements in our overall economic development. In other words, the new airport cannot be separated from new port facilities in economic terms, each is dependent on the other and each complements the other.

This is a territory which has always depended upon external trade. Historically, our port facilities have provided us with the essential services to enable us to continuously expand the volume of our international trade and to challenge the efficiency of the biggest and best ports in the world. Our container port is an essential element in the overall port operation; this too, has been developed by a conscious decision on siting, timing, financing, expansion and co-ordination with many other infrastructural developments.

This great expansion of our port has been a magnificent joint venture project between intelligent and sensitive government supervision and policy control, and the vital energy of profit-driven commercial initiative and acumen.

We have not made many mistakes with the port development and the result is that we have one of the most efficient port operations in the world, providing essential services to our own trade and industries and to those in China and elsewhere.

Our air services must now be developed to become equally capable of sustaining our economy. The Government has been aware of the need for the relocation of our airport since the late-1960s. The detailed work needed to determine where and how large the new airport should be, began in earnest in 1973. Since then, and through many difficult years, the preparatory work has continued. With China's blessing, this great project is now well underway, opening up glittering new prospects for a Hong Kong that will lead the world in modern air services, and which will have an economic integration of port and airport infrastructure that will be the envy of the world.

We will build, in fact, one of the greatest airports the world has ever seen. We will build it on time, and within the cost parameters agreed for it. We are already moving quickly and we shall see an even faster pace of development as the main contracts are let and the contractors begin their work.

There have been some very strange notions in this Council, I think, about the awarding of contracts for airport projects. Many of these have gone and will go to foreign companies -- of course they will. Hong Kong does not have the technology or the experience in bridge-building for a start, so such contracts are bound to go to foreign companies. However, these companies almost invariably use local companies, professionals and labour to the greatest extent possible, since it is in their interests to do so. A large proportion of the price of these contracts accrues to Hong Kong. The money feeds into the Hong Kong economy and large numbers of Hong Kong's skilled people are employed. We learn from exposure to new technology, we learn new techniques, from which there is a spin-off effect into other elements of our economy.

We have heard of bottomless-pits into which the airport may disappear. Far from that gloomy view, we shall have one of the very finest airports, as I have mentioned, in the world.

It is up to the Government and this Council to ensure that we keep to cost criteria in order to bring this project into use within budget. That is our responsibility.

I do not need to stress the economic importance of the various PADS developments, including our new airport. This is evident to anyone who knows anything at all about the Hong Kong economy, its present and future direction, and its direct and increasing relationship with China.

I am personally proud to have served in the Government when the work of assessment on the airport began nearly 20 years ago. I am happy that this great work is now underway. I have no doubt whatsoever that with our support, this massive project and its related infrastructure will give Hong Kong new economic life far into the next century, helping to sustain the livelihood of generations of Hong Kong people to come.

My answer, therefore, to the question posed by the motion is that the Government must proceed with all speed to develop the new airport in order to provide the best possible economic prospects for the people of Hong Kong. I do not doubt that our spending on social development will not be materially affected and that the new airport will enhance our social progress on a long term basis.

I do not agree with implications suggested in the motion, but on the strict basis of its wording, I am bound to support it.

MR HOWARD YOUNG (in Cantonese): Mr Deputy president, if someone is to appeal in this Council for this development project to be given up, petitioning or warning that the investment will result in heavy borrowings and touch off inflation, Members may find it easy to identify with this line of argument. But what I would like to talk about is not today's motion, but rather the point made by a Legislative Councillor about 20 years ago that the Government should not build the Mass Transit Railway (MTR), warning that it would be inflationary and bring no benefits to the public. The question I ask is: What would Hong Kong have been like without the MTR? How many Members of this Council are regular commuters on the MTR? We would regard the point made 20 years ago as rather ridiculous, but today, we are faced with the same problem.

Is infrastructural development a wise investment or a burden? In today's debate, a number of colleagues have spoken on the issue of education, saying that it is an investment. They would like to see spending on education taking up around 3% of our gross domestic product (GDP), thinking that it is an appropriate investment in our next generation.

The total investment required for the airport project is \$112 billion 1991 prices; the GDP of Hong Kong was \$633 billion in 1991. If we take into account the fact that the airport project spans over five to six years then we can divide the sum by the number of years to arrive at my earlier percentage of 2.9%. If we exhaust this \$112 billion within five years, it would mean spreading the GDP of 1991 and the percentage we obtained would be 3.5%. That is a conservative estimate, because Hong Kong's GDP will continue to grow. If that is the case, the percentage would be smaller still.

Today's debate centres on the protection of Hong Kong people's quality of life. What is quality of life? I think we have to take many factors into account, such as social welfare, education, housing and so on. But if there is no economic growth, there is no quality of life to speak of. We should not forget that Hong Kong is uniquely positioned geographically in that it is not only the gateway to South China, it is also a direct destination in the Asian region for many long haul flights of newly-designed airliners from Vancouver and Europe. They will not fly to Singapore and other remotely located destinations. Our geographical position is then our advantage. But how are we, with our advantage, going to beat our neighbours who also wish to compete for the status of an Asian aviation centre? That is a matter which we need to think seriously about; we should also arrive at the conclusion that a new

airport has to be built. Who are the beneficiaries of the airport? Are they the airlines and the tourism sector? Although the airport is needed by the airlines, airlines are only part of the tourism sector. We are talking about the Hong Kong airport costing over \$40 billion with its runway and related developments, but we should not forget the fact that the six million visitors coming in each year already spend as much as \$40 billion during their stay in Hong Kong. The airlines and the tourism industry have many associated trades and industries. For example, there are 5 000 engineering and technical staff employed with the airport. In addition, there are many employees in the retail trade servicing the tourist shoppers. I believe there are well over 200 000 people in Hong Kong whose livelihood and the livelihood of their families depend on the tourism industry, and on the airport, on which the tourism industry also depends. Who are going to pay for the airport? When we look at the Kai Tak Airport, we actually see a tree from which we can shake money, as the Chinese proverb goes. Its operation cost is more than paid for by the travellers using it, the airlines which pay for their landing and departing rights, and the shops on the airport premises which have to pay for their concessions; Kai Tak does not only break even, it actually accumulates a surplus. And this has not even taken account of the huge airport tax revenue going to the Government.

I think that the future airport will be an investment which will produce huge returns. This notwithstanding, it is not for us to spend our money indiscriminately; we have to find ways of cutting costs. I think a feasible way of doing that is, insofar as building and development is concerned, giving encouragement, for example, for airlines or private firms to finance the development of the airport building, or a portion thereof, in order to reduce the commitment of public funds.

On the other hand, in terms of financial arrangements, the Government has indicated that it would finance the airport in the form of callable equity such that tax revenue from the airport after 1997, or revenue due after 1997 generally, would be used as a financial guarantee. But if we are now to use that as guarantee, would it be possible to raise the 2 to 1 ratio between loan and registered capital? I think it is more economical to finance the building of the airport by loans. For insofar as the prevailing international prime lending rates are concerned, the international rates are usually used in cases of large borrowing, and these rates are frequently comparable to, or lower than, the rate of inflation in Hong Kong. This way we can invest with other people's money and we will not have problem repaying our loans.

The third consideration in respect of lowering the cost burden is the cost recovery period. Given that the new airport is an infrastructural development, we

cannot expect to be able to recover its cost in the space of three to five years following its completion in 1997. If we can extend the recovery period, we can lower the cost burden.

Mr Deputy President, I support Mr CHAN's motion because he has not said anything about stopping or delaying the building of the new airport, confining himself instead to the problem of people's livelihood to forestall any negative impact on the quality of life. In this respect, I think that we can lend our support to anything short of a negative growth for education, housing, social welfare and so on, not to mention a real growth in these areas, if that can be achieved in an ideal situation.

DR HUANG CHEN-YA (in Cantonese): Mr Deputy President, from the economic perspective, the Airport Core Programme (ACP) will affect people's livelihood in the following ways.

(1) Inflation will be aggravated.

(2) Tax increases may become necessary because of the constantly escalating costs.

(3) Cutbacks will be made on expenditures which are intimately related to people's livelihood, in areas such as law and order, housing, social welfare, medical and health services, education and so on.

I would like to offer an analysis of the Government's answer to the above problems.

(1) Given the enormous size of the ACP, and the perceived need for it to be completed within a short period of time, there will be heavy pressure on the demand for manpower, material and other resources; inflation will become quite inevitable in these circumstances. Inflation will not only erode people's quality of life; it will also affect the competitiveness of Hong Kong businesses. The tourism industry, in particular, will receive a long-term blow. In this regard, the Government should try its best to control inflation as the ACP gets underway. In terms of tax revenue, the Government should refrain from such measures as introducing the inflationary sales tax, increasing rates and public service charges, in order to reduce the inflationary pressure of infrastructural development.

(2) We can see the public spending trend from the government interim forecast. Public spending will increase to 19.5% of the gross domestic product (GDP), by three percentage points over the five years before 1991. The increase has been mainly due to the increased spending on infrastructural development; spending on welfare, medical and health services, education, recreation and culture, and law and order has been, proportionally, on the decline. Between 1992 and 1997, spending will fall by 5% on welfare and medical services annually, by 13% on recreation and culture annually, by 8% on law and order annually, and by 4% on education annually. In terms of real expenditure, with the exception of infrastructural development, all the other growth rates are lower than the rate of economic growth. Real growth of social services will fall from 9.2% annually over the past four years to 4.9%; that of education will fall from 7.3% to 4.2%; and that of housing will fall from 2.9% to 0.5%. It can be seen that the Government has put the squeeze on public sector expenditure in preparation for the infrastructural development.

The United Democrats believe that the squeeze on the public sector will bring about serious consequences for Hong Kong. The Government should maintain the normal growth of the sector while finding other ways of dealing with the three additional GDP percentage points, or a yearly outlay of \$19 billion, devoted to infrastructural development. After all, infrastructural projects are actually short-term financial commitments going for a few years. But public spending in these years will shoot up to 19.5% of the GDP. If the Government is not willing to change its practice of adhering to a surplus Budget, then it could only resort to raising taxes and cutting back on the public expenditure in other areas to solve the problem. Tax increase should be an option which is to be used judiciously. The capital gains tax on property suggested by the United Democrats will be a steady source of tax revenue which will have minimal adverse consequence. We are aware that raising the profits tax would affect corporate competitiveness; that raising salaries tax would affect people's quality of life; that raising rates and public service charges will aggravate inflation. We do not support the Government's attempt to recover the huge, additional public spending through taxation. We believe that the Government should make use of the fiscal reserve, issue long-term bonds, and think about the use of other monetary instruments to solve the problem of balance of payments brought about by infrastructural development. The issue of bonds is one of the ways of raising taxes from the future residents of Hong Kong. Given the fact that infrastructural development will bring benefits to people resident in Hong Kong at different periods of time, it is fairer to make both the present and future residents of Hong Kong share the cost of infrastructural development. The United Democrats take the view that

the Hong Kong Government should consider, when the circumstances warrant, requesting that China relax the \$5 billion borrowing limit so as to alleviate the pressure caused by financial stringency in Hong Kong in the years to come.

To sum up, infrastructural development will aggravate inflation and cause difficulties in terms of achieving a balance between public income and expenditure. The United Democrats believe that the Government should rigorously control the cost of infrastructural development, fight inflation and meet its commitments by means of the reserves and issue of bonds. In its effort to go after surplus on its books year after year, the Government should not turn a blind eye to the hardships of its people and the long-term interest of Hong Kong.

Mr Deputy President, I so make my submission.

MR FREDERICK FUNG (in Cantonese): Mr Deputy President, I am gravely concerned about the fiscal expenditure involved in the building of the new airport and related works. One discovers from the data from various sources that the new airport and related works will have a great impact on people's livelihood over the next five years and the blow to the lower income group will be the most heavy.

First of all, we can detect some clues from the non-recurrent spending items over the next five years in the Financial Secretary's Budget for 1992; such non-recurrent spending items amount to \$263 billion.

According to the relevant papers from the Finance Branch, between 1991-92 and 1996-97, the expenditure on the Airport Core Programme (ACP) will account for a quarter of the total amount under non-recurrent spending. It is evident from the above two sources of information that the Government has already reserved \$65.7 billion under non-recurrent spending for the building of the ACP. The question is: Will the money be exhausted?

If we subtract from the total cost of \$112.22 billion for the 10 ACP projects (at March 1991 prices) \$46.3 billion for the new airport, \$22.16 billion for the railway, and \$4.15 billion for the tunnel to be built in Western, then we will arrive at the amount of direct expenditure, to be borne by the Government, which is \$42.5 billion.

The \$42.5 billion will come to a total of \$59.51 billion when adjusted to the projected price levels of the next five years, assuming an increase of 40%. The assumption of a 40% increase in cost is based on (a) the rise by 45% in loan financing from \$38.2 billion to \$55.4 billion; and (b) the rise by 36.5% of the cost of building Tsing Ma Bridge from \$5.2 billion to \$7.1 billion.

It can be seen from the above analysis that the Government will over the next five years need to come up with no less than \$60 billion for the ACP. Direct government commitment over the next five years alone will come to nearly \$12 billion for each year.

We should not forget that the Government will in 1993 inject into the Airport Authority (AA) and the Mass Transit Railway Corporation (MTRC) \$13.6 billion and \$3 billion respectively, in the form of government equity infusion in statutory corporations. Put in another way, a total of \$32.4 billion will be spent in the year 1993 alone if we increase the two sums by 40%. The expenditure for 1993, according to the progress of the ten ACP projects, will amount to a staggering \$35.2 billion.

If we have abundant capital and people are living very comfortable lives, then we should have no problem at all meeting these costs. But unfortunately, we expect the Government to face enormous economic and political difficulties and pressures in the next five years. I cannot see how the Government could over the next few years manage in its Budget to obtain the money simply by raising rates and profits tax yet enlarging personal tax allowances. The only way left is for the Government to sell land for profit .....

8.00 pm

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

MR FREDERICK FUNG (in Cantonese): But a high land price policy has already generated wide and loud public resentment in recent years.

The remaining alternatives are borrowing and cutting existing government expenditure. Since the Memorandum of Understanding already sets out the borrowing limits, any proposal to further expand those limits would lead to a political tug-of-war between China and Britain. The only real alternative is to cut back on the existing government expenditure items.

My concern has been vindicated by the expenditure items of the Budget of 1992.

We can see from the overall public expenditure table provided by the Government for 1991-97 that the growth of infrastructural development spending for 1994-95 and 1996-97 is twice that of spending on education and public security and other areas to do with people's livelihood. In this regard, we can see that the Government is going to cut back on public expenditure over the next five years and these cutbacks and control are implemented mainly in order that a large amount of money will be saved for the ACP.

	91-92	94-95	+%	96-97	+%
Overall public expenditure	112 990	182 860	62	233 240	106
Non-recurrent spending	22 190	49 480	123 61	850	179
	+19.6%	+27.1%		+26.5%	
Spending on education	19 321	29 989	55	38 178	100
Spending on public security	14 915	21 760	46	28 222	89
Spending on	15 367	35 292	130	44 782	191

infrastructural  
development

Between 1990 and 1992, even before the work projects get into full swing, Hong Kong people were already crushed by the hardships of life. The hardships and pressures of life which await them in the five years ahead are hard to imagine. I think it is something which the Government should consider.

Furthermore, the Government's financial commitment to the airport and related works do not end with the above expenditures. It has to bear the burden of a contingent liability of \$12.5 billion and a contingency reserve of \$2.5 billion for the MTRC and the Airport Authority (AA). Assuming that costs increase by 40%, then the expenditure over the next five years may actually come to \$21.56 billion.

Meanwhile, the Government has to financially cover, in an open-ended fashion, loss resulting from work slippage which may delay the new airport's commissioning on 1 July 1997. How much money the Government will eventually have to fork out in that scenario is anybody's guess.

Problems such as these are truly worrying. Although our fiscal reserve stands at \$20 billion, it is clear that the money has actually been squeezed from the pockets of the lower and the sandwich groups in recent years. Despite inflation, the personal tax allowance has not been upwardly adjusted. This has led to many more people falling into the tax net. The other source is proceeds from land auctions. Now that the reserves have been earmarked for the ACP, we are concerned that the Government is not going to return the large reserves to the people and that in the five years ahead, the principle of financial management will become even more conservative and disadvantageous to the lower, middle and the sandwich classes.

I consider the original wording of Mr Albert CHAN's motion "That this Council requests the Government to review the time schedule of the Airport Core Programme (ACP) and its financial arrangement to ensure that spending on ACP will not affect the expenditure on social services and other work projects and to protect the quality of life of Hong Kong people" is more specific and practical than the way his motion is now worded. I would like to state here that, while I support Mr CHAN's motion, I also seriously request that the time schedule and the financial arrangement be

reviewed. I also hope that the Government will consider extending the completion dates of some of the ACP projects (such as the Airport Railway and the reclamation works at Central and Wan Chai) and reducing their scale and design, such that the impact of the airport project on people's livelihood will be alleviated.

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

REV FUNG CHI-WOOD (in Cantonese): Mr Deputy President, the building of the new airport will have far reaching consequences for the future development of Hong Kong. As this massive project gets underway, it is inevitable that it will have an impact on government expenditures on social services and other public works projects. The public is concerned about a decline in their quality of life as a result of the airport project. I will mainly speak on the impact of the Airport Core Programme (ACP) on the environmental protection of Hong Kong. I will elaborate on how the airport works will affect the Government's commitment to environmental protection and how this might affect the quality of life of Hong Kong people.

First of all, in terms of commitment to environmental protection, although the Government has repeatedly stressed that the building of the airport will not affect spending on social services and for betterment of livelihood, I will give two examples as follows which will reveal the inconsistency of the Government's position, insofar as the real practice of environmental protection is concerned.

(1) The Director of the Environmental Protection made the promise in May 1990 that over the next 10 years the Government will spend \$20 billion on sewage and refuse treatment. One would have thought that, in line with this promise, \$10 billion would be committed for that purpose between 1990 and 1995. But when one looks at the Policy Address of 1991, one will see that the funds committed for the next five years have been cut down to \$8 billion. Two billion dollars have been cut. The Government has, of course, the option of committing \$2 billion more in the five years between 1996 and 2000, retroactively. The problem, however, is really that pollution has become an almost intolerable problem in Hong Kong and it is up to the Government to put it right as a matter of priority before 1997. The way the Government has acted raises suspicion that infrastructural development was the real cause of the delay in funding.

(2) While the above example may only look suspicious, the Strategic Sewage Treatment System and the Sewage Collection Master Plan will definitely vindicate the

suspicious. The sewage problem which Hong Kong faces now is extremely serious, with close to one million tonnes of untreated sewage being discharged into our waters every day. The government plan originally was to allocate about \$14 billion from the public works account to the Strategic Sewage Treatment System and the Sewage Collection Master Plan. However, two years later, it was announced that, without any public explanation, the \$14 billion sewage treatment works will not be paid for from the Government Public Works Account. Instead, the Government would make the commercial operators and polluters pay for the cost; the pollution levy to be introduced by the Government may even be extended to ordinary residents. Apart from the change of funding source for works, the former Secretary for Planning, Environment and Lands, Mr Graham BARNES, already made it clear that, given the large-scale infrastructural projects which are to go ahead in the next few years, the Government is not able to foot the nearly \$7 billion bill of the Strategic Sewage Discharge System. This is proof that the ACP has already hindered the Government's commitment to the cause of environmental improvement. The delay will have two adverse consequences.

(2.1) Although the pollution levy has not been introduced yet, it remains as an option open to the Government. Any pollution levy would add to the burden of the people and effectively shift what should be a government responsibility to the general public.

(2.2) Water pollution has already reached critical proportions. The departure from the original financial arrangement for the works, which sees the Government switching to a levy system for control of sewage discharge, has resulted in a slippage of two years for the whole project. For as long as the consultation exercise for the pollution levy remains uncompleted, the works cannot go ahead. Two years is a long time for a solution to be found to the problem of the worsening water quality of Hong Kong. Even now, there is no certainty about when the works may eventually start.

It is on account of the airport project that the environmental protection works have been held up and that an attempt has even been made to shift the cost to the public. The result is that we are not only going to have to pay for the cost, but also to put up with the stinking harbour and the red tide at our beaches in the meantime.

The public also suffers directly as a result of the environmental impact of the ACP. The massive ACP projects will bring about enormous environmental problems.

For example, the West Kowloon Reclamation works will involve the clearance of the sediment at the bottom of the sea of poisonous heavy metals discharged over a long period of time. The exercise will have adverse effects on marine life.

Meanwhile, noise, air and sea pollution will be produced during the construction works. It is true that the Government has recently published a set of guidelines requiring that the final environmental impact assessment report of nine of the ACP projects be made available for public scrutiny. I believe that the Government, in implementing remedial measures in respect of the environmental impact of such works, should solicit the views of affected residents and the views of the Environmental Advisory Committee. The Government should make its environmental assessment on the basis of the Hong Kong Town Planning Guidelines and offer reasonable compensation to the affected residents.

Mr Deputy President, I deeply regret that the ACP has caused a delay in environmental improvement works resulting in the public having to continue to be subject to hazards of pollution for an extended period of time. I can only hope that the Government will rigorously monitor the works of the ACP as they get underway to ensure that the environment will not further deteriorate and that reasonable compensation will be made to the affected residents.

With these remarks, I support the motion.

DR CONRAD LAM (in Cantonese): Mr Deputy President, though the decision has been taken to build the new airport, the cost of the Airport Core Programme (ACP) has been escalating continuously. The latest estimate is that the cost of the airport plus its core projects will come to \$171.6 billion by 1997, up 45% on the estimate of March 1991. Whatever explanation the Government may come up with, the public will feel directly that the grandiose ACP projects are, each in their different ways, eroding the welfare and economic fruits which the public so rightly deserves. For example, personal tax allowance has only been increased to \$46,000, and with what reluctance! The principle of user paying for welfare service and cost recovery is becoming gradually the order of the day. Despite the fiscal surplus of \$20 billion last year, the public has not been able to enjoy any substantial improvement in the quality of life. In the event of future deficits caused by cost overruns of the infrastructural development projects, the public would actually face, contrary to their expectations, the prospect of their needs not being properly taken care of. With the cost estimates

escalating into new heights as a result of inflation and other factors, the man in the street has reason to worry that the fiscal policy of the Government is mainly in order that all departmental spendings have to give way to infrastructural development. The reserve made in the Budget is precisely to meet cost overruns of infrastructural development.

As spokesman for the United Democrats on the medical and health policy, I am particularly concerned about the Government's commitments in respect of the provision of medical services. The Government's plan to increase the provision of hospital beds by 5 600 units by 1995-96 still falls far short of the recommendation by the Medical Development Advisory Committee. Indeed, the increased provision of institutional places for the elderly and the mentally handicapped is only enough to meet 80% and 60%, respectively, of the needs of the aged and the mentally handicapped. The Secretary for Health and Welfare projects that, at 1991-92 prices, the annual expenditure on various kinds of rehabilitation services will come to \$600 million. But even taking into account the full implementation of the various projects recommended by the report on primary health services and the White Paper on social welfare services, this is still not going to be enough to meet the public needs for primary health services. If further cutbacks have to be made on the already inadequate medical and health services, as a result of cost overrun of the airport project, then it will be that much more difficult to improve the quality of public medical services.

The South China Morning Post reported a couple of days ago that a patient of a charity hospital under the Hospital Authority (HA) has been required to pay a medical bill of \$30,000. Although this may be a peculiar case, it can nevertheless be anticipated that members of the public may be faced with a real economic burden, in terms of using the services of an HA hospital. The Budget sets out in its guidelines for the next five years that medical and health services spending should on average take up no more than 10.6% of the total expenditure. Such spending can at best only maintain the minimum standard of the existing level of provision of services. True, it is very difficult indeed to have the best of both worlds. We have to pay a certain price if we are going to have an international airport which is built to international standard and which will meet the future development of Hong Kong. But if Hong Kong people are to have a sense of belonging, that has to be developed through a combination of many important factors, and the constant improvement of the quality of life is one of them.

We all would want to see the completion of the airport, the economy of Hong Kong taking off with it. What we would not wish to see is hospital beds, advanced medical equipment and patients who are crying in agony, being buried under its runway.

With these remarks, I support the motion.

MR LAU CHIN-SHEK (in Cantonese): Mr Deputy President, in recent years, the common people of Hong Kong have been faced with all sorts of pressures. They have to confront problems of high inflation, rising unemployment and stratospheric property price, and so on. It is at this point in time the new airport project is gradually getting underway. It is a project which does not have a bottomline in terms of financial commitment; it is a project in which one fails to see any guarantee of cost-effectiveness. People regard the new airport with a feeling of helpless resignation; there is no public enthusiasm for it to speak of. To the grassroots, the massive infrastructural development project brings immediate harm before they can ever enjoy its benefits. The promised rose garden is full of deadly thorns.

Since 1989, the Government has endorsed three rounds of labour importation. By the second half of this year, there will be around 25 000 foreign workers in Hong Kong. In these past several years, neither Hong Kong nor foreign workers have been able to receive the protection they deserved. Local workers are faced with the problems of unemployment and underemployment. Their wages experienced negative growth last year; it was a serious blow to their quality of life. Foreign workers in Hong Kong have fared no better. They have been subject to exploitation and severe wage deduction; they work and live in sub-standard environments. In a nutshell, whilst no improvement has been made to the problems associated with labour importation, permission has now been given for an additional 2 000 foreign workers to be imported to cope with the related works of the new airport. This time, no prior registration on the part of the applicants with the Labour Department is required, rendering local workers even more unprotected.

In the past one or two years, local construction workers have been faced with a very serious problem of unemployment and underemployment. The combined unemployment and underemployment rate of construction workers in the quarter between December 1991 and February 1992 stood at 14.1 %, far higher than the comparable average rate of 4.1% for workers in other industries. Meanwhile, the number of reported vacancies of December 1991 reveals that it was only 560 for manual workers on

construction sites. It has fallen by more than 50% from the figure obtained in December 1990. In this regard, I believe that priority should be given to local workers in terms of recruitment where the Airport Core Programme (ACP) projects are concerned. Our workers are very keen on getting more steady work on longer term contracts.

Industrial safety is another issue of concern when the airport works get underway. In recent years, the number of industrial accidents has reached 100 000 each year. Accidents happening on construction sites have been on the increase every year. Last year alone, there has been a 3% increase in accidents per 1 000 workers on construction sites. It is up to the Government and the Provisional Airport Authority as the chief planners of the airport project to see to it that industrial safety measures on construction sites must be observed, as this becomes a major issue with the individual ACP projects coming on stream.

In March this year, while debating the Budget, I submitted written questions to the Works Branch asking the Secretary for Works what measures would be in place to ensure industrial safety at the commencement of the related works of the airport project. Although the Secretary for Works listed six measures in his reply to ensure safety in the work places of the ACP, I feel that the Government should also make the track record of the bidding contractors in terms of industrial safety as a selection criterion. Unfortunately, it can be seen from the prequalification selection criteria announced by the Government and the Provisional Airport Authority that such track record has not the Government and the Provisional Airport Authority can convince us that they attach importance to industrial safety.

Mr Deputy President, members of the labour sector are not only concerned about the impact of the cost of the airport projects on people's livelihood, they are also concerned about jobs for ordinary workers and industrial safety. It is for this reason that I urge the Government to seriously do something about the protection of local workers in all of the above mentioned areas so that they will be able to go to work happily and come home safely.

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

MR GILBERT LEUNG (in Cantonese): Mr Deputy President, if it were not for the recent spate of frightening robberies receiving so much press coverage, I fear the daily

headline stories will invariably be news about the Airport Core Programme (ACP). The public watch in awe the cost estimates which have been almost daily revised and updated by the Government. The Government has always reiterated that the direct use of public funds will only account for about half of the total expenditure. But given that in the long run whatever you are given you have to pay for, the funds which the financiers have to come up with will have to be repaid by Hong Kong society as a whole, which is to say that every citizen of Hong Kong has to pay his or her share of the debt. How can citizens not be frightened out of their wits when they see that the goods they have ordered are priced differently at different times, that the price actually keeps going up in an alarming spiral?

What we must be certain about is the fact that Hong Kong people are in favour of building the new airport. The best proof of this is the boom which swept the stock and property markets following the signing of the Sino-British Memorandum of Understanding on the airport project. But Hong Kong people are also well-known for their astuteness. While they want a new airport, they also want value for money; in practical terms, spending must be justified by reason rather than whim.

Hong Kong people are most concerned about the possibility of the Airport Core Programme (ACP) overrunning its cost. Perhaps we have the cost overrun of the University of Science and Technology to thank for our heightened wariness of possible cost overrun of the ACP. The ACP will cost up to \$170 billion by 1997, according to the latest figures released by the Government. It is difficult to see how such an enormous expenditure will not eat up funds committed to other social services spending. If we believe the government line that it will not, we are only doing so in self-delusion. In this regard, I think the most important purpose of today's motion is really to make sure that every cent committed by the Government to the ACP will produce value for money such that resources will not be wasted. It is only in this way that, even if some other public expenditure items are to temporarily give way to the airport, it would be so for good reason, and that eventually, the overall public interest will be protected.

1997 is not the end of the world

The greatest problem with the government plan to build the new airport is to treat the month of June 1997 as the ultimate deadline. I believe many people are puzzled by the repeated assurances of the Government that they have nothing to fear about 1997, and that 30 June 1997 should be treated no differently than any other day because

this very same day has been attached such great importance to by none other than the Government itself concerning the new airport projects.

There are increasing signs that the deadline of June 1997 is creating all the upward pressure for the price tag of the airport. There are only five years to go from now until June 1997. I am not very optimistic that all the complicated details of legislation, tender, financing, construction, and transfer of airport facilities, could be thrashed out within the short space of these 60 months. Unless the Government works to a hectic schedule, and is able to secure 100% co-operation of all parties involved, to eventually produce a substandard airport, any hitch in the whole building process will automatically cause delay. I should warn the Government that haste makes waste. Transfer of authority is not easy at all if we look at the mess created by the Hospital Authority's takeover of a score or so of public hospitals. Given that the airport services have a direct bearing on the busy commercial activities of Hong Kong, and the image of Hong Kong as an international, cosmopolitan city, we cannot afford to let anything go wrong. That is why I have just raised specifically the issue of settlement of airport reclamation to bring home to the Government the dangers of speed at all costs.

I understand that the completion date has been set in June 1997 in the Sino-British Memorandum of Understanding. But for the sake of Hong Kong I think the Government should not regard June 1997 as a rigid deadline, a dividing line which cannot be crossed under whatever circumstances. To most people of Hong Kong, it makes no difference at all whether the new airport is completed in June 1997, or in December 1997; it should not be forgotten that we still have the Kai Tak Airport to fall back on. Hundreds of millions of dollars have been invested by the Government in building an extension to the Kai Tak Airport, precisely in order that our old airport may still be able to operate in top form.

Mr Deputy President, members of the public clearly understand that Hong Kong is built upon its economy. While they agree that a new airport should be built as an important investment for the future development of Hong Kong, cost accounting has to be most meticulous and we have to watch every step we make by virtue of the enormous size of the project. If they feel that the completion deadline of 1997 will lead to cost escalation or problems in engineering quality, then they will query the whole rose garden plan; they will ask whether it is embarked upon for the good of Hong Kong, or indeed for a glorious end to the British rule. Since 1984, the Government has never let up its propaganda about a smooth transition through 1997. How come the

discrete dividing line is drawn this time around as if the airport would have no chance of completion past the deadline of June 1997? Mr Deputy President, I fully understand that completion deadline has to be set for every work project as a basis of work arrangement. But deadlines are not inflexible, sacred and inviolable. I believe that the Government should take into account the scenario of extending the deadline in its studies on how to get the maximum value for its investment. It should study, for example, the advantages and disadvantages of slightly extending the deadline, in quantitative terms, so that a most cost-effective option will be obtained. Provided that any delay is necessitated by the need to get value for money, and not due to incompetence, it does not matter if we have to wait a little longer for the new airport to become operational. I think neither Hong Kong people nor the Chinese Government will oppose efforts to save money.

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

8.26 pm

DEPUTY PRESIDENT: I propose to take a short break and resume at 8.35 pm.

8.37 pm

DEPUTY PRESIDENT: Council will resume.

MR STEVEN POON (in Cantonese): Mr Deputy President, the airport project which the media code named rose garden plan has been an issue of great public concern ever since it was announced by the Government. There is no denying that the new airport project which costs over hundreds of billions of dollars is a world class engineering project of an immense scale which involves intricate works and financial arrangements. The funds which the Government will use for the project come from taxpayers and upon its completion the users of the airport will also be Hong Kong people. It is for this reason that the Government should prudently scrutinize and oversee the cost-effectiveness of the project to make sure that it must serve the interests of Hong Kong people while keeping the burden on Hong Kong people to a minimum. It should not in any case be an airport which will only serve the interests of British business.

Recently, the Provisional Airport Authority (PAA) announced that the final cost

estimate of the new airport would be \$55 billion. If we take into account the Airport Railway and other items, then the total cost of the airport and related projects will, I am afraid, come to \$160 billion. This is a very alarming figure. The government data released fail to clearly provide a cost estimate per work project over the next several years under the entire Airport Core Programme (ACP). The public, as much puzzling as they are frightening, have no way of making sense of the data. It is understandable that the public should feel helpless and worried because, after all, as the Chinese proverb goes, whatever you get you have to pay for. It is for this reason that the Government should take a pragmatic approach and effectively control the costs. A responsible government should account more fully for the cost estimates and to increase the transparency of the work contracts.

A good and prosperous society depends on well-balanced development and good co-ordination of all sectors. While the building of a new airport is of course contributory to the economic development of our society, it should not go ahead without regard to people's livelihood and the importance of other work projects and social services. If a society is thrown into turmoil and people's lives and property are not protected, then even though we may have excellent airport facilities, they may not effectively enhance our economic development. It is for this reason that the Government cannot afford to pay less attention to law and order. The recent armed robberies, in particular, are matter of concern. It is rather baffling that the spending on law and order proposed in the Budget is reduced to 11.7% of the overall public expenditure, down from 14% or more in the past. If law and order spending has been cut, thanks to the heavy financial commitment to the new airport, then one could not bear to think of what will become of our law and order situation. Besides, we cannot afford to neglect education, medical and health services, the environment, and social welfare, because social services are the cornerstone of our overall social and economic development and an important element instrumental in the protection of our quality of life. It is for this reason that our social services spending should not be affected by the ACP.

Mr Deputy President, as a matter of fact, the Government has previously made certain commitments relating to the content of this motion, but these commitments are rather empty because so far there has not been any package of specific measures which will ensure that social services will not be adversely affected. At the last meeting of this Council, the Financial Secretary announced that the surplus, based on the most updated estimates for 1991-1992, would be \$6 billion in excess of earlier prediction. Consequently, the surplus for last year has actually exceeded \$20

billion. It can be said to be rather irresponsible on the part of the Government that it should seek to raise the corporate profits tax, despite its huge surplus. This unjustifiable move will have a great impact on the people, particularly insofar as the small businessmen are concerned. I hope that the Government will not waste at whim the fiscal reserves which Hong Kong people have accumulated over the years, that it will control the inflationary costs of the airport and related projects, that it will not seek to raise taxes, and that it will make sure that government expenditure on social services and other work projects will not be adversely affected.

These are my remarks.

DEPUTY PRESIDENT: We have three more speakers, and allowing for my break I think we will finish within the agreed time.

DR SAMUEL WONG (in Cantonese): Mr Deputy President, the signing in July last year of the Sino-British Memorandum of Understanding on the Hong Kong airport has been, for the Chinese and the British Governments an act of securing political capital, for the business sector of Hong Kong a timely shot in the arm; but for the grassroots of Hong Kong, it is nothing but the beginning of a nightmare of spiralling inflation and high taxation. On the basis of a Hong Kong population of 5.8 million at its current level, and recalling that the Secretary for Economic Services put the cost of the airport and related project at \$170 billion at a public function last week, we can work out that each Hong Kong resident has to contribute \$30,000 to the cost of the new airport. Put in another way, over the next five years, each person has to pay around \$6,000 each year for the airport and related projects.

I am not opposed to the building of the new airport. On the contrary, I consider that the new airport has been long overdue because the operation of Kai Tak Airport is nearing the point of saturation. Kai Tak, in the eyes of international pilots, has always been an extremely high-risk airport. (The irony here is of course that, if we go by the logic of the famous contemporary Chinese kungfu novelist Mr Gu Long, where all fear to tread lies the safest place.) As much as the decision taken by the Government in 1982 not to immediately start work on a new airport was a grave mistake, it is unfortunate that the Government has so hastily endorsed, and gone about implementing, the feasibility report conducted between 1986 and 1988 on the new airport and its 10 projects under the Airport Core Programme (ACP). It has not been

done with careful planning, nor has consideration been given to its financial viability; no wonder it has later necessitated the signing of the Sino-British Memorandum of Understanding. As I said at a Rotary Club meeting in mid-July last year the deadline set for the completion of the airport has virtually made the airport and related projects a free-for-all for overseas contractors and consultancy firms. A tight scheduled project which is to be completed at breakneck speed will only lead to declining work quality and escalating engineering costs. One can imagine how the economy will be overheated by the spending of public funds amounting to \$170 billion, all within the space of five years.

Meanwhile, serious cutbacks have been made on our other public expenditure items and work projects. Although some Branch Secretaries have made assurances on various public occasions, facts speak more eloquently than any of their statements. The Financial Secretary at his Budget Speech in March this year, for example, has this to say, and I quote, "I should like to reassure this Council on our ability to manage the ACP. I think the case for this massive investment in Hong Kong's future is well understood and widely accepted..... but three quarters of our planned capital expenditure over the next six years will be devoted to projects other than the ACP." But facts speak louder than words.

One can just look at the tender exercises of the Works Branch in the past two weeks to gain an impression of the situation.

A quantitative analysis of the work projects indicates that between May and October of 1991, of the 61 Category C work projects scheduled for tender, only 33, or 54%, have successfully been offered for tender. Between November 1991 and March 1992, of the 53 work projects scheduled for tender, only 23, or 43%, have successfully been offered for tender.

On the other hand, the total price worth of Category C works of the Works Branch and the Housing Department has fallen from \$16,696 million in 1990, by 44.6%, to \$9,238 million in 1991.

It can be seen from the above data that, whether we look at the work projects in terms of total price worth or absolute number, there has been a sharp dip in non-ACP projects. This falling trend does not only reflect on last year; it is also evident in the coming quarter. There were 133 work projects of various categories scheduled for tender between November 1991 and April 1992; there are only 117 such work projects

scheduled for tender between May and October 1992, or a decline by 12%. And that is only a guesstimate; it may actually turn out that only half of this number will be offered for tender if last year's figure is anything to go by. I hope that the Government will give us a clear answer to whether the objectives identified in the Budget are difficult to materialize, and what kind of impact the cutbacks on public works will have on the quality of life.

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

MR VINCENT CHENG: Mr Deputy President, the spirit of this motion is commendable; it seeks to ensure that government spending on social services such as education and welfare will not be affected by the airport project. If my memory is correct, the Government has already undertaken such a commitment. The problem is that the community remains sceptical as to whether such a commitment can be fulfilled. There are a number of reasons for such scepticism.

First, the Airport Core Programme is a massive project requiring substantial government money, even though 60% of the project will be funded by the private sector. Since Hong Kong people are financially astute and conservative in managing their own personal finances, it is just natural for them to wonder where the additional money will come from, given the well accepted fiscal prudence which the Government has been practising. This feeling that somehow some government services would have to be shelved or abandoned is further enhanced by the Administration's internal strife. Some civil servants, who will not accept the necessary savings measures, blame the airport project for any savings measures or redeployment of resources, regardless of the merits of any such fiscal discipline.

In view of the reluctance of some civil servants to defend the Administration's fiscal policy, the Government should, if they accept the implications of this motion, repeatedly reaffirm its commitment, and support their words by actions.

The third problem is statistical presentation. The Government must improve their way of presenting financial information to avoid confusion and misinterpretation, although we have to accept that wilful misinterpretation for political purposes will never be avoided. The 900 questions asked by this Council on the Budget is an indication of this problem.

The fourth reason is the current political atmosphere on which I need not elaborate.

The motion is a tall order. If the Government's freedom to redefine its priorities in spending is restricted, the only way for the Government to meet the spirit of this motion is to ensure a high rate of economic growth in Hong Kong. In this regard, I would like to remind the Government and this Council that the current low-tax free-market economic system is the major pillar of our economic success. We must maintain this economic policy if we want to ensure an adequate tax base to meet the aspirations of Hong Kong people.

This Council, if the motion is passed, should also ensure that a favourable investment and business climate will continue to prevail by supporting the Government's economic philosophy as well as its non-interventionist policy.

The airport project has received considerable attention and comment from the public, and rightly so. The main concern expressed by the public is whether Hong Kong can afford it. The figures and the financial schemes presented to this Council for the airport project show that the ACP projects are handled professionally. The injection of capital and the use of callable equity will enhance the financial position of the organizations concerned, and enhance their chances of borrowing at a lower cost. The use of fixed-price contracts should reduce the chance of cost overrun. If we are able to maintain the current cost projections, the Government has sufficient financial resources for such an exciting undertaking. This should be regarded as an investment for the future rather than spending.

These infrastructural projects will provide a strong base for Hong Kong to continue its economic success and growth, and to act as an efficient gateway to China. I am sure that both Hong Kong and China will benefit. The question is of course project management, on which I am not qualified to comment. It must ensure that the ACP projects are built in a cost-effective manner, and on time. I have heard a lot of comments from politicians on the financial arrangements, but so far there has been little comment from professional bodies, such as the engineers, who should be more qualified to make judgments on these civil engineering projects. I hope these professional bodies will be more forthcoming in expressing their professional opinions. It will help the public to better understand whether the costs of these projects are justified and whether they are value-for-money. For a layman, it is difficult, if not impossible, to decide, for example, whether a road should cost \$10

million or \$100 million.

With these remarks, I support the spirit of this motion.

MR WONG WAI-YIN (in Cantonese): Mr Deputy President, it would seem that the Government's decision to build a new airport has been taken as a timely shot in the arm in the face of sagging confidence in the future of Hong Kong. It is unfortunate, however, that the new airport project will bring harm long before it will ever bring benefits. As the Airport Core Programme (ACP) gets underway, members of the public are faced with spending cutbacks on social welfare, medical services and education, all of which will adversely affect their quality of life. It would seem that while the new airport project brings hope to the business consortia, to the vast majority of citizens it only brings despair.

Meeting Point regret the fact that a political solution has been sought by the Chinese and the British Governments in the form of diplomatic agreement. With all information being classified as confidential, there is no way Hong Kong people will get to know what considerations of cost-effectiveness have formed the basis of the Sino-British Memorandum of Understanding, which is the diplomatic agreement reached by the two Governments. It would seem that Hong Kong people have been kept in the dark though they have to meet all the costs. It is important that, at today's debate, we take into consideration not only the cost-effectiveness of the airport project, but also ways and means of financing the project, and how the various social classes will share the costs and benefits of the new airport, in order to make sure that resources are allocated in an equitable and effective manner.

On the financing of the new airport, Meeting Point are against going over the top, taking no heed of the financial strength of Hong Kong. We should not use up all of our fiscal reserves, neither should we resort to high taxation. On the other hand, prudence in financial management does not mean short-sightedness, nor reluctance to make social investment to serve the long-term economic interest of Hong Kong and to bring greater return to our society in the future. In terms of financial commitment, Meeting Point have suggested a 4:4:2 formula for raising capital for the new airport, in that 40% of the cost should be borne by fiscal reserves, another 40% by private sector investment, with the remaining 20% being raised by issue of bonds. The advantages are that the fiscal reserves will not be drained, that the relatively sound fiscal base of the Government may be maintained without having to burden the

public directly by increasing tax, and that public expenditure need not be cut back to the detriment of public service and people's livelihood.

The issue of bonds to tap funds from the public is, to a certain extent, to leave it to the public to assess the cost-effectiveness and the investment risk of the new airport. Its success depends on the ability of the Government to present a pragmatic and feasible investment plan, wherein lies the positive aspect of the whole exercise. The arrangement for the private sector to participate in 40% of the project will also enable the market to positively assess the possible return on their investment in the airport project. However, the present situation is that the Government will contribute \$70.6 billion to the ACP in the form of callable equity and direct investment. Borrowing and the issue of bonds will raise a total of 30.9 billion, and private investment \$13.7 billion, also contributing to the cost of the new airport. Put in another way, prior to 1997, the cost of the airport project is to be split as follows: 61% by the Government, 27% by borrowing and 12% by private investment. The most worrying thing about this kind of arrangement is that the disproportionately huge Government commitment will make it much more likely to incur cost overrun. Let us take the building of the Kansai Airport which is now underway in Japan. It has been scheduled to take six years, to complete in 1993. The whole project cost 1 000 billion yen at 1983 price level, consisting of 300 billion yen in capital investment and 700 billion yen in borrowing. In other words, since 70% of the cost is borne by loans, it will not create heavy financial pressure on the Government. However, one particular point I wish to make is that the Kansai Airport will experience a slippage of one year and its cost will also overrun by 40%. I think this is an example which the Government should do well to take heed of.

Today, everything seems to be centred around the airport. For the sake of building the new airport, the Financial Secretary has seen fit to continue to hoard large quantities of money even in the face of large surplus this year. Meanwhile, the unnecessary squeeze on public expenditure and unwarranted cutbacks have been implemented without regard to the need for social development. The Financial Secretary has said more than once that the Government has to help the most needy. It is unfortunate, however, that one fails to see deeds to back up the Government's sincerity. What we can see is a short-sighted, grandiose engineering project which the Government is determined to complete before 1997 at the cost of people's livelihood needs. The Government is quite happy to use up the wealth of Hong Kong people to commemorate the end of the British rule and mark its glorious withdrawal. This is completely contrary to the objective of improving the quality of life and

maintaining Hong Kong people's living standard. As an organization which is firmly committed to stay to work for the betterment of people's livelihood in Hong Kong after 1997, Meeting Point consider that the year 1997 should not be set as a deadline, that consideration should be given to equitable sharing by society as a whole and that the airport project should not be expedited at the expense of the local people's quality of life. It is up to the Government to, instead, formulate a far-sighted financial arrangement for the airport project.

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

FINANCIAL SECRETARY: Mr Deputy President, the theme running through some contributions to this debate is that the ACP costs a lot, that it is likely to cost far more than we in the Government are prepared to reveal or admit, and that these costs will increasingly deprive the public of social services and other public works.

There have been other claims in this Chamber or elsewhere that we are withholding information, and that we are favouring British construction companies and consultants when awarding contracts.

A concern to ensure cost effectiveness and reduce the risks of cost overrun is entirely reasonable, and indeed one that I share wholeheartedly. But the other subsidiary themes, alleging a lack of information and contract favouritism, I reject totally and will answer first.

Over the last six weeks we have released a great deal of financial and other information. On 2 April, we published our overall ACP costs paper. That was followed by detailed papers on the costs of the Airport Railway and of the new airport itself. Last week, when we announced the Tsing Ma Bridge construction contract, we revealed perhaps more information than ever before on the tenders and on the reasons for our decision.

This is real transparency and I welcome it. At the same time we have presented these papers and explained their contents to the Legislative Council ad hoc group, the Airport Consultative Committee and the public through the media. This effort has involved representatives of the Provisional Airport Authority and the MTRC, as well as the Government.

The presentations and discussions will continue. In particular, the financing arrangements for the airport and the railway will be discussed by the Legislative Council ad hoc group and the Airport Consultative Committee over the next few weeks. We will respond constructively to specific and reasonable requests for information and consultation. It is difficult however to know how to respond to vague allegations of a lack of transparency or demands that we should fill a bottomless pit labelled "more information". Forests of trees have already been felled in an attempt to satisfy the demands made on us over the period since the new airport was announced. It may be worth recalling for example that the material on the Airport Master Plan alone was three inches thick. And that there are now over 300 reports, studies, and so on relevant to the ACP available to the public in the Airport and Port Project Resource Centre. I wonder how many people have read them. Thus we must draw a line somewhere. I am particularly anxious that we should not publicly reveal commercially sensitive information that could, for example, upset financial plans or undermine competitive tendering.

Implicit in some of what has been said in the debate is the idea that all this could be done at less expense if we proceeded more slowly. Calculating economic disbenefits is a science, that causes a lot of controversy and I shall not try it here: I would rather appeal to Members' common sense. What would be made cheaper by spending more time? By extending the project cashflows, we would just increase the out-turn costs. By extending the repayment period for borrowing by the MTRC, or the Airport Authority, and putting off the time when our investments start to generate revenues, we shall incur more interest costs and delay payment of dividends back to the public. I am afraid that it just does not make sense.

On the award of individual contracts, we will continue to maintain a level playing field. As the Secretary for the Treasury said last week: "There is never any favouritism towards any company or any country. Hong Kong thrives as an open market with free competition, and this principle of open unbiased competition is strictly applied by the Government when evaluating all tenders". Repeated allegations and innuendoes to the contrary are totally unfounded. Regrettably their reiteration within this Chamber lends them a veneer of credibility that they in no way merit.

The Tsing Ma Bridge contract is the largest ACP contract so far, and should be regarded as a positive and encouraging start towards ensuring that the ACP goes ahead at full speed, on time, and within budget. The Anglo-Japanese consortium's contract price of \$7.144 billion in money of the day is within the original budget. Like most

other major construction contracts on the ACP, it is on a lump sum, fixed price basis -- which gives us the best protection from unforeseen price increases during construction.

Impressive progress is evident elsewhere. Tenders are being invited by the Government for other road and bridge contracts, and for the Western Harbour Crossing franchise.

The West Kowloon Reclamation is well under way, and new land can be seen emerging from the sea. Tenders have been pre-qualified for the first phase of the Central and Wan Chai Reclamation. The Tung Chung New Town site preparation contract has been let. And, of course, on Friday we shall be seeking funds from Finance Committee to enable work to start on the Tsing Ma Bridge by the end of this month.

The PAA has almost completed its advance works for site formation. Tenders have been submitted for the main site preparation contract to construct the airport platform. These bids were too high. So the PAA will go back to them with new ideas designed to bring down their prices -- a concrete example of how determined we all are to contain costs.

The PAA has also done a considerable amount of other vital work, building up a capable team from virtually nothing, producing its master plan and financial plan, and getting work started on the site.

Let me now turn to the financing of the railway. We have proposed to inject equity of \$3 billion into the MTRC. The MTRC will, incidentally, pay us back the same amount, \$3 billion, for public works to support the building of the Airport Railway. We propose to offer further callable equity of \$8.8 billion to reassure their lenders that the MTRC's borrowings will be repaid, if things do not turn out as well as we have anticipated. That money is not supposed to be paid other than in exceptional circumstances: we have designed the financial package so that it is unlikely that it would have to be called at all.

The public will get for \$3 billion of public money a modern, efficient, environmentally friendly railway which costs \$22.1 billion to build. What is more, we propose to allow the MTRC to develop sites over and around their stations -- land that would be largely undevelopable after the stations and railway lines had been built -- and the MTRC will pay the Government around \$20 billion in premium for it before 1997, with another \$20 billion going to the SAR Land Fund.

This is outstanding value for money. The community will not only get speedy access to the new airport but much needed relief for the travelling public of congestion on the routes between Central and Kwai Chung. It will also provide rapid access to Tsing Yi and the new towns planned for North Lantau. And it will make recreational areas on Lantau accessible from Hong Kong Island and Kowloon in 30 minutes.

Turning now to the overall cost of the ACP, the increase from \$98.6 billion last year to \$112.2 billion (in March 1991 prices) is not excessive, given the enormous amount of final planning and outline design work that was carried out in the last year.

But what is much more important to the taxpayer is the cost to the Government -- that has remained the same since July 1991, at HK\$59.3 billion (at 1991 prices). Moreover, we have put in place special comprehensive project management and cost control system, together with a particularly strict financial discipline over government works.

To make it easier for you to see where there are changes in real terms, we have continued to present data in March 1991 figures. Sometimes however we have to move into money of the day -- for example when bankers become involved in discussions on MTRC and PAA borrowings. And of course when we are awarding fixed price, lump sum contracts, as with the Tsing Ma Bridge.

So, let us have the vision and courage that has sustained us in the past, despite the siren voices of the cynics and the sceptics. Such fears are not new.

Back in 1975, some leading members of the community were spreading doom and gloom far and wide with forecasts of massive cost overrun on the building of the MTRC's initial line from Kwun Tong to Central. One even said it was quite a "losing gamble".

Well, imagine what Hong Kong would be like today without that "gamble". Picture the roads clogged solid with cars and buses; imagine the environmental damage that the traffic pollution would have caused; think for a moment about how impossible it would have been to house people in our new towns.

There were doubts even at the end of the last century about another project --

Nathan Road. People then argued that no one would ever travel along Nathan Road because it led to nowhere, but the paddy fields of Yau Ma Tei and Sham Shui Po. Later the Doubting Thomas's were in business again on plans for the first Cross Harbour Tunnel.

But as we now know, Hong Kong's success has been built on the foundations of such visionary projects as the MTR, and the cross harbour tunnels. If we had not turned such visions into reality, Hong Kong would not be what it is today, nor would it be poised for the growth of the coming years.

Now the vision is a new airport to take us into the next century, served by a railway, new highways and a third harbour tunnel. These road and rail facilities will provide the fast road and rail transport needed by a modern airport, and indeed a modern city, operating round-the-clock. The signing of the Sino-British Memorandum of Understanding has already clearly increased confidence, manifested in a high level of activity in the stock market and business generally.

The livelihood of the 350 000 people who live in the corridor most affected by Kai Tak aircraft noise will dramatically improve when the new airport opens. Kai Tak itself will be redeveloped.

But the ACP does not only provide us with a new airport, which we desperately need by 1997, and the other infrastructure projects, many of which we would have to build anyway in the mid-1990s.

It also provides the springboard for economic growth. In 1991, 30% of our domestic exports, 14% of our re-exports, and 18% of our imports were carried by air. About 80% of our tourists arrive and depart by air -- last year receipts from tourism amounted to nearly \$40 billion.

These statistics are fundamental to our economy, and we must ensure that there is room for the economy to continue to grow. With the ACP built, we shall not only benefit from an assured route for the growth of our tourism and exports. We shall also be well placed to share in the growth of Southern China.

The ACP itself will therefore meet concerns implicit in the motion. And, as we have frequently said, our projections show that our capital expenditure on the ACP will take up only about one-quarter of our total estimated capital expenditure up

to 1997.

The other three-quarters will be spent on schools, social welfare facilities, environmental protection, and law and order.

On recurrent expenditure, I would like to refute the repeated charge that we are cutting social services, and so on. We are not, as I made clear in my Budget speech. If we are dealing in this debate with myths, as one speaker suggested, then this is the myth we must demolish.

The quality of life is therefore not only being well safeguarded. The ACP will materially enhance our quality of life. To argue that the ordinary public will not benefit is like arguing that the only people who benefitted from the MTR are the contractors who built it.

There will, of course, be sceptics, even cynics, here and elsewhere, who will try to talk us out of this or that aspect of the Airport Core Programme. To slow it down, or even to abandon it. I am confident that they are wrong. That to refuse to rise to the challenge, to oppose change, is to opt for stagnation and decline. To proceed confidently with the ACP is the way to ensure a growing economy, and with it a growing ability to fund social services and the other items which will not just safeguard but further improve the quality of life of the people of Hong Kong.

I appeal to this Council to give a lead to the community by sharing this vision and supporting the Airport Core Programme.

MR ALBERT CHAN (in Cantonese): Mr Deputy President, first of all, I would like to thank Members for speaking to support my motion. I wish to point out that the United Democrats of Hong Kong (UDHK) are not opposed to the Airport Core Programme (ACP). The UDHK last year publicly pledged their support of the building of a new airport at Chek Lap Kok. We feel that in the long run the new airport will boost the economic prosperity and development of Hong Kong, particularly in the areas of entrepot trade and tourism; Hong Kong will become the southern gateway to China. We wish to bring home, through today's motion, the fact that the airport engineering works will have impact on Hong Kong people in many ways, particularly insofar as social services and public works spending is concerned. Many Members have queried just now, from different perspectives, the transparency of the decision which has been taken.

Although the Financial Secretary has refuted the accusation about lack of transparency, I would like to say here that two major study documents recently completed by the Government, namely the feasibility studies on the Chek Lap Kok Airport and the airport railway, have not been released to the public; indeed, it is expected that the Government will refuse to release these documents. Given that the Finance Committee will be asked to endorse the financial arrangements for these two projects, to hold back the information will leave the Finance Committee in a dilemma. If it does not give its endorsement, this will affect the progress of the work projects of the new airport and be regarded as its lacking confidence in the Government. If it gives its endorsement, then this would be done without any certain knowledge of financial arrangements for the two projects, which would seem to indicate nothing other than blind faith in the Government. It is for this reason that the Government must handle this issue with care and not bring the Finance Committee into disrepute.

Some Members have spoken of financial problems, in terms of the constant revision of cost estimates on the part of the Government, cost escalation, unclear financial commitment regarding the Airport Authority and the Mass Transit Railway Corporation, loan arrangements and methods of financing and so on. All of them need to be clearly spelt out.

Members have also touched on the impact on people's livelihood. For example, infrastructural development will lead to even higher inflation, cutbacks on social service spending, rising land price, a deteriorating environment, even heavier tax burden, the Government's failure to implement medical services to which it has committed, reduced spending on law and order, rising MTR fares due to the building of the Airport Railway, increased labour importation and so on. The Government must take a serious look at these problems.

Many Members have offered a lot of invaluable views, and many excellent suggestions. In terms of financing, there were suggestions that the Government should consider building the main block of the airport by a mix of capital sources and relaxing the restrictions on borrowing; Meeting Point have also proposed a 4:4:2 model.

In terms of time scale, some Members suggested that the completion deadline should be set according to practical needs and our financial ability. There was also the suggestion that the Government should look after the well-being of local workers.

What I wish to say about the reply of the Financial Secretary is that I am in favour of his suggestion that we should face this problem with courage and foresight. But courage and foresight aside, we should also pragmatically consider, in the public interest, the progress of the ACP and the financial pressure which it creates. We have to be pragmatic; the airport should not be constructed so that the British can withdraw in a glorious and honourable way. If problems arise, we should have the determination and courage to rectify the outdated timetable and financial arrangement.

Finally, I would like to point out that the present ACP is faced with a big crisis, in terms of new conflicts and new problems which have arisen on the issue of financing, between the Chinese and the British sides. I would like to appeal to the Government at this juncture that it should in the meantime provide more sufficient information to Hong Kong people, to explain the content of the financing plan, why the Government considers the ACP to be financially viable over the next few years, and the extent of real impact of the ACP on the public. The Financial Secretary failed in his response to address in no uncertain terms many of the points raised; I hope that the Government will later on brief the Finance Committee on the entire financing plan. Lastly, I would like to thank Members for their support of my motion. I hope that Members will work together wholeheartedly for the rights and interests of Hong Kong people, between now and the completion of the ACP projects. Thank you.

Question on the motion put and agreed to.

Adjournment

CHIEF SECRETARY: Mr Deputy President, I move that this Council do now adjourn.

DEPUTY PRESIDENT: Mr TAM Yiu-chung has given notice to raise a matter for reply by the Government. Could I remind Members that in an adjournment debate there are 45 minutes for Members to speak. At that point or after all the Members wishing to speak have spoken, whichever is the earlier, I will call upon the Secretary for Health and Welfare to reply.

## Chinese Medicine

9.18 pm

MR TAM YIU-CHUNG (in Cantonese): Mr Deputy President, following the release of the Interim Report of the Working Party on Chinese Medicine, the OMELCO Standing Panel on Health Services has set up an ad hoc group to study the Report and to listen to the views of related organizations. In the meantime, the ad hoc group has held six meetings and received 14 representations. It has reached a degree of consensus on the issue of traditional Chinese medicine and completed a report for the consideration of the OMELCO Standing Panel on Health Services. Given the limited time we have for today's debate, I do not wish to repeat the consensus reached.

As far as I am concerned, I very much agree with the criticism made by some Chinese medicine practitioners that the Report takes a rather cynical attitude towards Chinese medicine. It has failed to touch on the responsibility of the Government and the role which it should play in respect of the development of Chinese medicine. Taking the Interim Report as a whole, one can see that it has been put together in the spirit of protecting the public from misuse of traditional Chinese medicine; the conclusion it reached is that control of traditional Chinese medicine should be stepped up. However, no positive, constructive suggestion has been made with regard to the improvement of the quality of the practice of traditional Chinese medicine and the perfection of the system in which it is conducted.

It is of course a positive thing to protect the public from misuse of Chinese medicine. However, a more positive way of enhancing the public rights in respect of medical and health care is to promote Chinese medicine and enable it to play a greater role on the local medical and health scene. Indeed, quoting the findings of a survey conducted in 1989 by the Chinese Medicinal Material Research Centre of the Chinese University of Hong Kong in respect of the use of Chinese medicine, the Report has evidence to show that Chinese medicine has made a major contribution to the public health of Hong Kong. And in recent years, Chinese medicine has made significant achievements and won international recognition for its rightful place in the medical field. The Government should not turn a blind eye to the latest development of Chinese medicine; it should not continue to treat Chinese medicine in a conservative and backward way. It should take a more positive attitude to incorporate Chinese medicine into medical and health care in order to step up the medical service of Hong Kong as a whole.

Admittedly, given the longstanding government disregard, the Chinese medicine sector is not without its black sheep, and indeed it has even shown signs of not very healthy development. It is for this reason that the Government should, before incorporating Chinese medicine into the local medical and health system, come up with a set of policies and measures on the one hand, and support the effort of Chinese medicine practitioners in improving their present practice on the other, with the aim of tailoring the development of Chinese medicine to the circumstances of Hong Kong. These policies and measures should include the following points:-

(1) Chinese medicine should be incorporated into the tertiary curriculum of Hong Kong with the setting up of an Academy of Chinese Medicine;

(2) Chinese medical practitioners should be registered and a clear distinction should be made between Chinese medicine practitioner and Chinese herbalist, with further consideration being given to the recognition of the professional status of the Chinese medicine practitioner;

(3) Chinese medical practitioner should no longer be barred from the use of thermometer, sphygmomanometer and other medical apparatus;

(4) The formulation of policies and measures relating to Chinese medicine should have the participation of the Chinese medicine sector.

I believe that the above measures are conducive to the development of Chinese medicine in Hong Kong and the standardization of its practice. The Basic Law has stipulated that the Government of the Hong Kong Special Administrative Region shall, on its own, formulate policies to develop western and traditional Chinese medicine. It firmly provides equal opportunity for Chinese medicine to develop along with western medicine in Hong Kong. It is for this reason that the Government should not take a negative and dismissive attitude towards the development of Chinese medicine in Hong Kong.

Mr Deputy President, since Dr LEONG Che-hung is unable to be with us today, I shall relate on his behalf three points which he likes to make:

(1) In order to protect the rights of citizens, and in order to be fair to the Chinese medical practitioners who are qualified to practise, a registration system

for Chinese medical practitioners should be set up without delay. This does not represent any western interference in Chinese medicine practice. On the contrary, a professional code of practice devised by Chinese medical practitioners which is acceptable to themselves, the Government and the public, is necessary if the Chinese medicine practitioner is to achieve professional status;

(2) The Government should clearly define the functions of a Chinese medicine practitioner, and the Government's commitment in respect of the training and the promotion of the development of Chinese medicine in the Final Report of the Working Group on Chinese Medicine which is to be released later on;

(3) The Government should control patent Chinese medicine in the same way as it controls patent western medicine. The Chinese medicine organizations should be charged with the responsibility of seeing to it that the shopkeeper who dispenses Chinese medicinal herbs is up to the required standard;

With these remarks, I propose an adjournment debate on Chinese medicine.

DEPUTY PRESIDENT: I understand that two Members wish to speak out of turn because of other commitments. I will accommodate them unless I hear a dissent.

MR TIK CHI-YUEN (in Cantonese): Mr Deputy President, Meeting Point has the following views regarding the contents of the Interim Report on Chinese Medicine:

First of all, we agree that the professional status of Chinese medicine practitioners should be affirmed by means of registration of traditional Chinese medicine practitioners and that registration criteria should be decided by examination. We can refer to the practice of Mainland China and other countries, such as Taiwan, in terms of conduct of examination; we can also invite overseas examiners to assess the standard of Chinese medicine practitioners in Hong Kong;

Secondly, in the long run, an Academy of Chinese Medicine should be set up. Students of the Academy should attain the standard required in various subjects of the medical faculty before they are allowed to practice. Professors of Chinese medicine may be hired locally or from overseas. It is only in this manner that we can develop a teaching curriculum for Chinese medicine which will suit the

circumstances of Hong Kong and then, on that basis, evolve a set of registration criteria for Chinese medicine practitioners. This is a more reasonable way to go than hastily putting together the registration criteria;

Thirdly, insofar as the use of Chinese medicine is concerned, Hong Kong has no regulation whatsoever regarding the importation of Chinese medicine. The Government should impose various degrees of regulation regarding some Chinese medicines with different degrees of toxicity. For example, the purchase and use of toxic Chinese medicine can be restricted to registered Chinese medicine practitioners. The Government should also compile a list of strong, toxic Chinese medicine, complete with their ingredients, for public reference. Toxic medicine should be properly labelled;

Fourthly, regarding the issue of training in Chinese medicine, the institution for Chinese medicine training should be monitored by a recognized institution. Shopkeepers of Chinese herbal shops should also be subject to a certain degree of monitoring, for example, by registered Chinese medicine practitioners;

Fifthly, there is a shortage of information about Chinese medicine. The Government should set up a Chinese medicine information centre for the foraging of relevant information;

Sixthly, the Interim Report on Chinese Medicine does not mention how the Government will commit itself to the promotion of Chinese medicine in specific terms. The Government will face a series of problems once it gives recognition to the status of Chinese medicine. In the consideration of the various factors involved, the Government should also bear in mind the financial means of the public. Opportunistic fee increases by Chinese medicine practitioners should be avoided.

To sum up, we believe that most of our Chinese medicine practitioners, members of the public, including not least practitioners of western medicine, will agree with the regulation of Chinese medicine and the affirmation of the status of Chinese medicine practitioners. However, regulation will not solve all of our problems. In the long run, the Government should set up an Academy of Chinese Medicine for the training of talent. The experience of foreign countries and Mainland China should be absorbed in the formulation of registration criteria suitable to the conditions of Hong Kong for the continued promotion of Chinese medicine.

Thank you, Mr Deputy President.

DR LAM KUI-CHUN (in Cantonese): Mr Deputy President, it is a good thing that, a couple of years ago, the incident involving the use of Chinese herb "Lung Dam Cho" has resulted in the Government thinking seriously about legislating against the improper use of Chinese medicine in an effort to safeguard public health. But even now, we are still faced with a situation which is fraught with difficulties. The Co-operative Resources Centre (CRC) has already made direct and specific representation to the Working Party on Chinese Medicine. Due to the time constraint, I wish to give an account of the difficulties right away.

First of all, Chinese herbalists and Chinese medicine dealers simply do not recognize the hazards of Chinese medicine; it is for this reason that they are basically opposed to the legislative control. Effective medication will definitely cause changes to the biological system in certain ways and it is also inevitable that side effects will occur with these changes. But this fact is something that Chinese medicine practitioners refuse to acknowledge. I reckon that all Chinese medicine practitioners are familiar with the mythology about the pioneer herbalist Shen Nong discovering the therapeutic function of herbs by practically tasting all kinds of herbs he could lay his hands on. I fear, however, that not too many of our present day herbalists are aware that Shen Nong ended up poisoning himself with herbs which even he could not find an antidote for. The incident involving the use of "Chuan Wu" which happened towards the end of last year may serve as an example. "Chuan Wu" has been scientifically established to be a herb which will cause irregular heart rhythm which cannot be rectified by either Chinese or western medicine. A patient died from taking "Chuan Wu" last year. Indeed, cases like that are not uncommon in Hong Kong. But in the aftermath of the death, a male caller claiming to be a Chinese medicine practitioner rang up a radio show to reiterate that the use of "Chuan Wu" is absolutely safe. The problem with which we are faced today is that our community generally agree with the view of herbalists that Chinese medicinal herbs are moderate and no extra care is needed for their use. People have also a tendency of using magic cure recipes recommended by their neighbours instead of going to see a doctor about their complaint. The Government will come up against a lot of resistance in terms of legislating to control Chinese medicine and Chinese medicinal herbs.

Secondly, the public have no way of distinguishing a genuine Chinese medicine practitioner from a quack because the present situation is that everyone can call

himself a Chinese medicine practitioner. It is a title which scholars may use, but which people who have inadequate or misconceived knowledge of Chinese medicine may also use, to pass off as the professional equals of a properly qualified Chinese medicine practitioner. The public have no way of telling who is who.

Thirdly, while the Working Party wishes to develop the proper use of Chinese medicine, it has drawn demands and dissatisfaction from people who are outside traditional Chinese medicine. The reason is that the Working Party has a view of traditional Chinese medicine which is rather different from the way Chinese medicine practitioners regard their own practice. Chinese medicine in the 90's is not only about the exclusive use of traditional Chinese medicine, and feeling the patient's pulse, and so on; it also makes use of western medical concepts, the thermometer and the sphygmomanometer, and so on. In Mainland China, the treatment of Chinese medicine practitioners often has elements of western medicine in it. On the other hand, nearly every Chinese medicine practitioner in Hong Kong would want to be able to issue a sick leave certificate and ideally, medical insurance should also include treatment by Chinese medicine. All of these are issues which are not covered under the present policies but which Chinese medicine practitioners would like to see resolved as a matter of priority. While the Working Party on Chinese Medicine declares that it will develop the proper use of traditional Chinese medicine, in terms of real action, its report is confined to the planned registration of eligible Chinese medicine practitioners, such that those who remain unregistered will be banned from the use of hazardous Chinese medicine. It has shown no determination to solve the pressing problems in the eyes of the Chinese medicine practitioner. Since Chinese medical practitioners do not acknowledge Chinese medicine is hazardous, they will regard the proposals of the Working Party regarding registration of Chinese medicine practitioners as a tactic of persecution. While the Government has the good intentions, the Chinese medicine practitioners have responded in strong dissatisfaction. It is for this reason that I reckon that the Chinese medicine practitioners will only give limited support.

Fourthly, the importation of Chinese medicine to Hong Kong is unrestricted and there is no way of monitoring quality. Ingredients of patent medicine are not required to be listed and the public have no protection at all in terms of purchasing Chinese medicinal herbs and patent Chinese medicine. Even with the prescription of a properly qualified Chinese medicine practitioner, there is no guarantee that one will obtain the right medicine. It should be noted that, although the herbs may belong to the same species, their medical values may differ sharply, according to

the season in which they are picked, how they are prepared, and so on, and they may also differ by ten times in terms of toxicity. The prescribing Chinese medicine practitioner and the shopkeeper of the herbal shop who dispenses the medicine must have a clear understanding of each consignment of Chinese medicine. For example, the gall of the live fish Grass Carp must be procured in the 12th moon of the lunar year for otherwise it will cause severe poisoning of the human liver and kidney. There is no way of telling by appearance in what month the fish gall is procured. The present situation is that most of the Chinese medicine now on sale in Hong Kong are manufactured in China, a lot of them without proper state supervision. The Hong Kong shopkeeper has no way of knowing what happened in the manufacturing process. Given the shortage of shopkeepers with the expert knowledge, we do not have the expertise to identify the special properties of Chinese medicine which has been ordered. The man in the street may have the cure-all prescription, but he will have difficulty finding the magic cure after all.

Mr Deputy President, I wish the Government could answer the difficulties cited above in this Council.

MR HOWARD YOUNG (in Cantonese): Mr Deputy President, I am not a doctor, but I have the experience of seeing a doctor of western medicine and a practitioner of Chinese medicine. Many friends have similar experience as I have. What is a Chinese medicine practitioner? Is he a faith healer, a wonder worker, or a person who has had scientifically based medical training? I think this is an issue which is worth thinking about rather deeply. China has such a large population and throughout its history of several thousand years, Chinese people were able to live healthy lives; I think that Chinese medicine has a scientific base to a certain extent, and indeed it represents a rich foundation of medical knowledge. Hong Kong has not been able to adopt adequate measures to deal with the question of practitioners of Chinese medicine.

First of all, as the proposer of this adjournment debate and Dr LAM were saying just now, do we need to have a standard governing the qualification of Chinese medicine practitioners; do we need to introduce control and step up the recognition of their professional qualifications? I think the Government should do something about these issues. I think it is going to be quite difficult to require them, in the first place, to regulate themselves, just like professionals in other fields. For according to the impression of OMELCO Members, and the Working Party, who have received

representations from many trade organizations in Chinese medicine, there is a wide variety of such organizations and it is very difficult to decide which ones are orthodox and which ones should be given a leading role in terms of standard setting. I believe that the Government should take the initiative to set up a standard and to admit the registration of a Chinese medicine practitioner only after he or she has been properly assessed. Given that a standard already exists for practitioners of western medicine, it follows that Chinese medicine practitioners and others, like dentists and chiropractors, should also have to abide by standards, in order to encourage them to upgrade their professionalism.

The second issue is one of Chinese medicinal herbs. Dr LAM has given a lot of examples just now. Since there is no scientific examination of Chinese medicinal herbs, it is easy for members of the public to jeopardize their own health without being aware of it. I think that since Hong Kong already has different kinds of legislative control over drugs and some of them have been listed as poisonous drugs, we can use scientific examination as a means of categorizing Chinese medicinal herbs and we can require that certain species be put under certain categories, prohibiting them from being sold freely.

Mr Deputy President, I think that the Hong Kong society does not have adequate knowledge of the functions of Chinese medicine. I understand that Chinese medicine is subject to certain control and receives certain recognition in Singapore, Taiwan and Mainland China. If Hong Kong is to go along with that, it will give some kind of protection to the general public as well as the Chinese medicine practitioners themselves. Thank you.

DR CONRAD LAM (in Cantonese): Mr Deputy President, the Working Party on Chinese Medicine was set up by the Government in 1989 to review the use of Chinese medicine in Hong Kong and matters relating to the practice of Chinese medicine. In the past, the Government has always adopted a laissez-faire policy towards Chinese medicine. The setting up of the Working Group now is an indication that the Government has at long last addressed the issue of treatment by means of traditional Chinese medicine. The United Democrats welcome the move; we have the following views on the Interim Report of the Working Party.

First of all, the status of Chinese medicine in medical and health care should be recognized.

Secondly, the Government should, in terms of training and setting the professional standard of Chinese medicine practitioners, consult with relevant organizations and formulate a long-term training programme. The Government can consider the setting up of a faculty of Chinese medicine in the tertiary institutions to provide training for students intending to become Chinese medicine practitioners. Refresher courses can also be run for in-service Chinese medicine practitioners to upgrade their standards and train medical experts for the future.

Thirdly, in terms of promoting the professionalism of Chinese medicine, a Chinese Medicine Practitioners Association should be formed by the various organizations involved in Chinese medicine. The Association could then form an expert team to make recommendations to the Government regarding the basic conditions of practice which all registered Chinese medicine practitioners have to meet.

Fourthly, the United Democrats support the initial plan of the Health and Welfare Branch mentioned in the Report, that a Chinese Medicine Committee be set up through legislative procedure to co-ordinate all matters relating to the registration of Chinese medicine practitioners on a territory-wide basis. The Chinese Medicine Committee should be charged with, among other things, the formulation of a professional code of practice, and receiving public complaints about Chinese medicine practitioners.

Fifthly, insofar as Chinese medicine is concerned, the abuse of Chinese medicine is not serious at the present moment. The Government should control strong and toxic medicine, without banning them outright. Consideration should be given at the same time to the control of the quality of common Chinese medicine. There is a severe shortage of shopkeepers who can double up as dispensers. It is for organizations of Chinese medicine practitioners to participate in the training of Chinese medicinal herb shopkeepers.

Mr Deputy President, I so make my submission.

PROF FELICE LIEH MAK: Mr Deputy President, Chinese medicine is not only a traditional system of medical and health care but has also been tightly woven into the fabric of Chinese culture. The practice of traditional medicine is by no means a situation that is unique to Hong Kong or indeed China; many other countries have their own forms

of traditional or folk medicine. It is the kind of practice that has evolved, not from scientific studies, but through tradition, philosophy or belief.

The World Health Organization recognizes this and has to some extent accepted the practice as a legitimate form of alternative medicine. As a consequence of this recognition, WHO has issued guidelines. In addition, in many western countries the practice of traditional medicine is subjected to some form of legislation to ensure that the public is protected.

Hong Kong, in planning to introduce legislative control on Chinese medicine, must proceed with care and take into consideration a wide variety of complex problems and their implications. Dr LAM Kui-chun, in his speech, has highlighted some of these problems, namely the divergence of views as to what constitutes traditional Chinese medicine, the introduction of western medicine concepts into traditional Chinese medicine, and the controversy surrounding the toxic effects of Chinese herbs. I shall now proceed to deal with five other problems.

First, there is apprehension amongst practitioners of Chinese medicine that registration, currently contemplated by the Government, would either put them out of business or make things difficult for practitioners by regulation. This can be dealt with by the introduction of a "grandfather" clause. However, there should be some restrictions on their ability to prescribe herbs with a narrow margin of safety. And eventually since there will be no new "grandfathers" allowed after the legislation is passed, these individuals will then naturally be phased out.

Second, with the present group of traditional Chinese medicine practitioners, some would not, and may never, measure up to the acceptable standard of general traditional Chinese medicine practice. In such cases, I would suggest that individuals will have to be gradually phased out as they become unable to practise their art -- or their science, if you want to put it that way. However, we have to have certain standards eventually, where people will have to meet very basic standards before they can be allowed to practise, and those who are not able to fulfil those standards cannot be allowed to practise.

Third, there is no cohesion and little co-operation among the many factions of practitioners of Chinese medicine, all of whom are deeply suspicious of outside interference. This situation is inevitable given the various backgrounds of the practitioners of traditional Chinese medicine. For this reason we have to proceed

very carefully and slowly with any attempts at legislation. It will be useful to allow the various groups to form and to reach some sort of agreement as to what constitutes basic qualifications.

Fourth, there is no control over the quality of patent Chinese medicine in Hong Kong, nor that of imported herbal medicine. In this area, legislative controls are necessary to ensure that the quality of imported processed and cured herbs are controlled. The origins and quality of raw herbs must be stipulated in all imports. The onus of proof or of authenticity should rest with the supplier. The Government should play a monitoring role on the quality of such imports.

Fifth, there is no recognizable standard of practice of traditional Chinese medicine in Hong Kong. It may not be possible for Hong Kong in the very near future, or even in the medium term, to set up such standard. The most practical way forward is to work closely with schools or faculties of Chinese medicine in China to see how they practise and how they set up standards and perhaps follow along those lines.

And the sixth point is that there is no full-time academy or hospital for teaching herbal or traditional Chinese medicine. Now several speakers have requested that the Government should set up such faculty or hospital. I think we have to be very careful before we proceed on this road. The choice for us in fact is: whether we should set up such academy or facilities in Hong Kong, or to make use of well established academies in China in a way similar to that which we have been doing in the past in terms of our dental and law students who were sent overseas when we did not have such faculties.

DR HUANG CHEN-YA (in Cantonese): Mr Deputy President, the Report of the Working Party on Chinese Medicine has quoted a survey which indicates that over the past 20 years around 60% of Hong Kong people have consulted a Chinese medicine practitioner and considered Chinese medicine as a second step to take in terms of obtaining medical attention. The percentage is rather significant to the extent that it indicates that when the patient does not see any improvement after receiving western medication he or she will switch to Chinese medicine. It is for this reason that in terms of medical and health care Chinese medicine has a rather significant role to play.

Indeed, Chinese medicine is faced with a lot of problems, but the vast majority of citizens still have immense faith in, and need for, it. The Government has yet

to come up with any improvement measures to address those problems. We as legislators have the responsibility to protect and maintain the rights of citizens in this respect. There is a need for the Government to change its past laissez-faire attitude and indeed the Report has given its assurance in this respect. The United Democrats support the spirit of this assurance. We hope that the Government will be able to formulate policy in this respect in an expeditious manner to ensure that Chinese medicine is used appropriately and that patient rights are protected. We also hope that the status of Chinese medicine practitioners will be recognized through government management of Chinese medicine and its practitioners. We hope that the Government will be able to come up with specific measures in this respect.

As a matter of fact, many people have the experience of being cured of their illnesses by taking Chinese medicine. We hear from time to time that people with all kinds of strange diseases, even cancer, are cured by Chinese medicine practitioners. There are a number of medical schools which are engaged in the study of Chinese medicine at the present moment. But why are we talking about the problem of Chinese medicine nowadays? Why is it that, despite its long history and outstanding achievements, Chinese medicine has now suffered decline? I think this is an issue which we should consider in our discussion of Chinese medicine and its practitioners. This is the only way we will get to know how to deal with the problems arising from Chinese medicine and its practitioners.

I would like to offer two points for discussion. Firstly, given the divergent standards of Chinese medicine practitioners, with some being college trained, some self-taught, some learning their skills from family members, and still some others picking up the trade as pupils serving their masters, it goes without saying that the grasp of theory and practice will also differ sharply. Chinese medicine and its practitioners may have many advantages but how are we going to tell if a Chinese medicine worker has a required professional standard? There is no guarantee. In order to guarantee the standard of service of Chinese medicine practitioners it is paramount that the tradition of excellence be passed on from one generation to the next. I feel that we need to have a unified set of standards governing registration, a degree training programme and a committee which will maintain standard and ethical practice. It is in this manner that we can ensure that good standard Chinese medical service will be provided for Hong Kong people and that Chinese medicine practitioners without the skills they profess to have will be excluded.

Secondly, a painful lesson learnt from modern medical science is that a lot of medication or surgery is in fact quite useless. Medicines which are thought to be useful are not only incapable of curing the diseases; they are the cause of side effects which make the illness worse. These discoveries are based on a lot of experience, and a lot of rigorous clinical tests. But the advantage of modern medical science is that through a process of selection the useless medicines and surgeries are eliminated such that the remaining useful medicines are used appropriately and side effects reduced to a minimum. We have the basic concept that all medicines have side effects. If the dose of medicine is too small, it will not be effective. It is for this reason that we have to have a clear knowledge of the appropriate dosage and side effects of medicines. This is the essential thing to know about the use of medicines. Chinese medicines are not without side effects. It is easy to find out about side effects if one looks into the records of traditional Chinese medicine. I do not wish to go into details at this point, except to talk about the side effects of ginseng. Consumption of ginseng over an extended period of time will result in high blood pressure and many internal secretion problems. This is something that many people may not know. It is unfortunate that people do not have much knowledge about this and detailed records about side effects of Chinese medicines are lacking. There is a dearth of information about side effects of medicines which are consumed over an extended period of time. Public confidence in the medicines and the belief that there is no question of side effects are reminiscent of the naive innocence of the eighteenth and nineteenth century medical practitioners.

We need to know the right dosage and side effects before we can administer the medicines in an appropriate manner. We need to know the ingredients of each item contained in a prescription and the effect which it has when taken separately, and when taken collectively with the other items on the same prescription. It is in this manner that Chinese medicines can be used more effectively. The Government should, in this connection, support research into the science of Chinese medicine and require that Chinese medicines meet a certain quality standard. Patent Chinese medicines must have their ingredients clearly listed in order to make sure that Chinese medicines will be used more safely, appropriately and effectively.

As a matter of fact, Chinese medicine is only a term used in transition. It cannot forever use the old methods of examination in deference to the traditional practice. Nor can it use exclusively medical theories obtained before the Qing Dynasty. Working within a closed system will only lead to extinction. It is for this reason that the

issue here is really not one of how to recognize and protect the status of Chinese medicine and its practitioners, but rather one of giving serious thought to inheriting and reviving the great tradition, so that traditional practice will continue to prosper in a modern context and the valuable experience of Chinese medicine can contribute to the global medical science.

China's contribution to and achievement in the field of medical science is something that every Chinese can be proud of. We are deeply saddened by the decline of traditional Chinese medicine. But we need to bear in mind that medical science continues to develop beyond spatial and temporal barriers, and that the prosperous development of modern medical science has been due to its unfailing, but rigorous and selective, absorption of new and sound ideas, and medical experiences and theories drawn from countries all over the world. Traditional Chinese medical experience must eventually be combined with the medical knowledge of other countries and places in order that it will have a far-reaching impact on the development of global medical science. I hope that we may be able, through our legislative procedure, to make some modest contribution in this regard.

Mr Deputy President, I so make my submission.

MR JAMES TO (in Cantonese): Mr Deputy President, I grew up in a family of a Chinese medicine practitioner. For many years I was learning the use of Chinese medicine from my father who was a formally trained Chinese medicine practitioner. (I do not think this way of learning should count as pupilship to a grandfather.) It is for this reason that I take a great interest in the Interim report of the Working Party on Chinese Medicine.

Many colleagues have spoken on the issue from various perspectives. I only wish to concentrate on the issue of control of Chinese medicines. Insofar as Chinese medicines are concerned, we can see from available data that their abuse is actually not serious. But the United Democrats of Hong Kong feel that the Government should exercise control over some strong and toxic medicines. I would like to stress the word "control"; we are not talking about a ban. We have to take into account the traditional treatment method of the Chinese medicine practitioner, which is one of selecting the right medicine for the illness, and this can be achieved in an

expeditious manner in the present circumstances. The Government should, as a matter of priority, compile a list of strong and toxic medicines, together with circumstances in which they should not be used, for public reference. The list should give the formal and colloquial names of medicines in full, so that the man in the street will be able to identify them.

The Government should also test the ingredients of Chinese medicines, including their toxicity, and step up quality control, particularly the control of their manufacturing process. In addition, in order to protect public health, the Government should also require that strong and toxic medicines be properly labelled as such and that the ingredients of patent Chinese medicines be specifically listed.

Also, given the wide variety of Chinese medicines and the multiplicity of their formal and informal names, it goes without saying that the shopkeeper who is responsible for dispensing the medicines, the frontline worker as it were, is playing a very important role. I trust we all recall that in February 1989 two people were reported to have consumed what they thought was the medicinal herb "Kwai Chau Lung Dam Cho" but which actually turned out to be the strong Chinese medicinal herb "Tao Er Chut". There are a number of points which are worth noting about the survey on Chinese medicine quoted by the Interim Report. With reference to the dictionary of Chinese medicinal herbs compiled by the People's Republic of China, there are seven species of Chinese medicinal herbs which are sold in Hong Kong under different names, another 30 species which are not available in Hong Kong but for which substitutes are used and sold under the same names, and yet another 34 species which are available and sold in Hong Kong, but together with their substitutes bearing the same names. It is the Government's responsibility to study the medicinal property of the Chinese herbs and to exercise control over the strong and the toxic among them.

The United Democrats also wish to urge the Government to assist in getting the Chinese medicine organizations to provide training for Chinese medicine practitioners and shopkeepers of Chinese herbal shops who play such a vital role in the process of using Chinese medicine. The expert knowledge of these shopkeepers (the salesmen over the counter as it were) is something we will neglect at our peril.

The other point I wish to make is what happened to our traditional Chinese culture, which is now in such a state of degeneration and unable to shine as did. I wish to venture an explanation. I recall my father used to say that in the old days the learning of Chinese medicine was by pupilship and there was no academy of Chinese

medicine to speak of. Under the traditional system, the pupil learnt everything from the master, but the master would teach no more than 80% of his knowledge to the pupil lest his position as master be usurped. My father may have taught me all he knew but I lost interest half way through, which is why I ended up being a lawyer instead of becoming a Chinese medicine practitioner.

But the problem is really that, if we have a proper system for the transmission of knowledge and the Government is willing to provide appropriate information for the promotion of training in Chinese medicine by Chinese medicine organizations, then I think it is a correct way of going about it. This will not only be for the sake of public medical and health care, but it will also be something that the public will find acceptable. At the same time, I also believe that, there are many within the profession, the highly skilled practitioners among them in particular, which is to say those who have received traditional medical training, who will agree that the registration procedure will be conducive to the progress of Chinese medicine. This will ensure that we inherit the good elements and exclude the bad ones while enabling the academically gifted, and people who are able to effectively practise Chinese medicine, to make our traditional medical knowledge play a more positive role in terms of delivering medical and health care to the general public.

Mr Deputy President, these are my remarks.

9.59 pm

SECRETARY FOR HEALTH AND WELFARE: Mr Deputy President, may I first of all thank the Honourable TAM Yiu-chung and other Members of this Council for their views and opinions on Chinese medicine.

Chinese medicine has had a long history and has served many here and elsewhere for many many years. Indeed, it is not just a form of medical treatment and preventive care, it is an integral part of Chinese culture.

Locally, Chinese medicine is widely used by the public: by prescription by Chinese medicine practitioners, through self-medication and for general health maintenance. Internationally, there is growing interest in Chinese medicine as a form of alternative medicine, both in treatment of diseases and in academic or clinical research.

In the light of public concern for the proper use and good practice of Chinese medicine, the Government appointed the Working Party on Chinese Medicine to review existing practices and to identify the way ahead. The working party has, just last month, completed public consultation on its interim report. We now await with keen interest its further deliberations and final recommendations.

Clearly, Chinese medicine has a role in medical and health care. This ought to be recognized. I can sense considerable consensus on this among Members in today's debate. The question is how. Our primary concern is safe patient care. In the general interest of our community, our objective is to promote the proper use of Chinese medicine, to ensure standards and to enhance the status of the profession.

I am grateful to Members for their wide-ranging views in the adjournment debate this evening. These, together with the views and comments already expressed by the public and interested parties on the interim report, offer the Working Party on Chinese Medicine much food for thought. When the working party's final report comes to hand, we will consider its recommendations carefully, with clarity of objective and pragmatism in approach.

Question on the adjournment proposed, put and agreed to.

Next sitting

DEPUTY PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday 20 May 1992.

Adjourned accordingly at two minutes past Ten 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.