

1 HONG KONG LEGISLATIVE COUNCIL -- 20 October 1988

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OFFICIAL REPORT OF PROCEEDINGS

Thursday, 20 October 1988

The Council met at half-past Two o'clock

PRESENT

HIS HONOUR THE DEPUTY TO THE GOVERNOR (PRESIDENT)

THE HONOURABLE THE CHIEF SECRETARY

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

THE HONOURABLE THE FINANCIAL SECRETARY

MR. PIERS JACOBS, O.B.E., J.P.

THE HONOURABLE THE ATTORNEY GENERAL

MR. JEREMY FELL MATHEWS, J.P.

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

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

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

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

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

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

THE HONOURABLE CHAN YING-LUN, J.P.

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

THE HONOURABLE CHENG HON-KWAN, J.P.

THE HONOURABLE CHUNG PUI-LAM

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

THE HONOURABLE HUI YIN-FAT

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

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

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

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

THE HONOURABLE POON CHI-FAI

PROF. THE HONOURABLE POON CHUNG-KWONG

THE HONOURABLE SZETO WAH

THE HONOURABLE TAI CHIN-WAH

THE HONOURABLE MRS. ROSANNA TAM WONG YICK-MING

THE HONOURABLE TAM YIU-CHUNG

THE HONOURABLE ANDREW WONG WANG-FAT

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

THE HONOURABLE GRAHAM BARNES, C.B.E., J.P.

SECRETARY FOR LANDS AND WORKS

THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, O.B.E., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

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

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

THE HONOURABLE GEOFFREY THOMAS BARNES, J.P.
SECRETARY FOR SECURITY

THE HONOURABLE PETER TSAO KWANG-YUNG, C.P.M., J.P.
SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION

THE HONOURABLE CHAU TAK-HAY, J.P.
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

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

THE HONOURABLE PAUL CHENG MING-FUN

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

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

THE HONOURABLE RONALD CHOW MEI-TAK

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

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

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

THE HONOURABLE MRS. MIRIAM LAU KIN-YEE

THE HONOURABLE LAU WAH-SUM, J.P.

DR. THE HONOURABLE LEONG CHE-HUNG

THE HONOURABLE LEUNG WAI-TUNG, J.P.

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

THE HONOURABLE KINGSLEY SIT HO-YIN

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

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

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

THE HONOURABLE PETER WONG HONG-YUEN

THE HONOURABLE MICHAEL SUEN MING-YEUNG, J.P.
SECRETARY FOR DISTRICT ADMINISTRATION (ACTING)

ABSENT

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

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

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR. LAW KAM-SANG

Papers

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

| Subject | L.N. No. |
|---------|----------|
|---------|----------|

Subsidiary Legislation:

Registration of Persons Regulations

Registration of Persons (Amendment of Third
Schedule) Order 1988.....

273/88

Immigration Ordinance

Immigration (Vietnamese Refugee Centres)(Closed
Centres)(Designation)(Amendment)(No.4)
Order 1988.....

274/88

Immigration Ordinance

Immigration (Places of Detention)(Amendment)
(No.5) Order 1988.....

275/88

Immigration Ordinance

Immigration (Vietnamese Refugee Centres)(Closed
Centres)(Amendment)(No.4) Rules1988..... 276/88

Sessional Papers 1988-89

No. 2 -- Hong Kong Export Credit Insurance Corporation
Annual Report 1987-88

No. 3 -- Hong Kong Tourist Association
Annual Report 1987-88

No. 4 -- Protection of Wages on Insolvency Fund Board
Annual Report for the year 1 April 1987 to
31 March 1988

- No. 5 -- Regional Council Annual Report 1986-87
- No. 6 -- Regional Council, Hong Kong Accounts for the year ended 31 March 1987 with Report and Certificate of the Director of Audit
- No. 7 -- List of Regional Council Projects endorsed by Regional Council for a start in 1988/89
- No. 8 -- Report by the Trustee of the Correctional Services Children's Education Trust for the period 1st September 1986 to 31st August 1987
- No. 9 -- Construction Industry Training Authority Annual Report 1987
- No. 10-- Urban Council Annual Report 1988
- No. 11-- Urban Council, Hong Kong Accounts for the year ended 31 March 1988 with Report and Certificate of the Director of Audit
- No. 12-- Revisions of the 1988/89 Estimates approved by the Urban Council during the first quarter of the 1988-89 Financial Year
- No. 13-- Land Development Corporation Annual Report for the financial period from 15th January 1988 to 31st March 1988
- No. 14-- Pneumoconiosis Compensation Fund Board Annual Report 1987
- No. 15-- Vegetable Marketing Organization Statement of Accounts for the year ended 31st March, 1988
- No. 16-- Fish Marketing Organization Statement of

Accounts for the year ended 31st March, 1988

No. 17-- Agricultural Products Scholarship Fund Report
for the period 1st April, 1987 to 31st March, 1988

No. 18-- Marine Fish Scholarship Fund Report for the period
1st April, 1987 to 31st March, 1988

Oral answers to questions

Complaints against taxi drivers refusing hire

1. MRS. LAM asked (in Cantonese): In view of the increased number of complaints against taxi drivers refusing hire, will the Government inform this Council of the measures that have been taken to combat this problem and whether or not they are effective?

SECRETARY FOR TRANSPORT: Sir, taxi drivers are not allowed to refuse hire under regulation 37 of the Road Traffic (Public Service Vehicles) Regulations of the Road Traffic Ordinance. Offenders are liable to a \$3,000 fine and six months imprisonment.

The most effective measure of dealing with the problem is for the aggrieved members of the public to report the malpractice to the police. However, not many complainants were prepared to come forward in the past. A new procedure was therefore introduced earlier this year whereby statements are taken at a place convenient to the complainants. This has resulted in 538 complaints being received by the police in the first nine months of this year compared with 292 and 209 cases in 1986 and 1987 respectively.

It is too early to say whether this method alone can be an effective deterrent. Other deterrent measures are therefore being examined. These include requiring the wearing or display of identification badges, mandatory suspension of the public service vehicle licence of persistent offenders and retesting.

Furthermore, Government action through legislation and other deterrent measures must be supported by full co-operation from the trade in the form of better self discipline. In this aspect, the trade has responded positively to Government and public concern and is now considering various measures to reduce malpractices within the trade. The Transport Advisory Committee will also meet representatives of the trade shortly to discuss this problem and to exchange views.

MRS. LAM (in Cantonese): Other than the solutions outlined by the Secretary, has the Government considered the major reasons for refusing hire - that maybe because of the way taxi licences were tendered at present, that leads to speculation on licences and therefore operating costs have gone up? On this front, has the Government considered improvement actions?

SECRETARY FOR TRANSPORT (in Cantonese): The Transport Advisory Committee earlier this year completed a detailed survey on this problem. The findings of the survey are that though refusing hire has something to do with the road congestion situation, refusing hire is not tolerable in the view of TAC. The licensing system has nothing to do with refusing hire. Under the existing licensing system which has been in practice for a number of years, we found that refusing hire only occurred more frequently in recent years and not particularly so in the past. Therefore, we believe that at present we should exchange views with the taxi trade, listen to their views and then decide on other measures to curb such malpractices.

MISS TAM: Sir, may I ask the Secretary for Transport as to the general level of fine for any conviction of the drivers under regulation 37 and does the present level produce any deterrent effect?

SECRETARY FOR TRANSPORT: Over the last three years, the average fine for these convictions was about \$400 or so compared with \$3,000 as the maximum. However, this year the latest case had a fine of about \$2,000. So it did indicate that the courts were aware of the upsurge in instances of refusal of hire and were taking positive actions against them.

MR. POON (in Cantonese): Will the Government inform this Council when taxi drivers refuse hire, which maybe because of malpractices on the part of individual drivers, whether a survey has been undertaken to investigate the possibility that some drivers refuse hire for safety reasons? For example, in the past taxi drivers were robbed rather frequently; and has assistance been provided to the drivers so that there will be fewer cases of refusing hire?

SECRETARY FOR TRANSPORT (in Cantonese): Sir, we are aware of these cases but these are only individual cases. At present, it is difficult for us to say whether refusing hire has something to do with the law and order situation, but we are liaising with the police to see if we can improve the situation and provide more assistance to the drivers.

MR. TAM (in Cantonese): Sir, according to the Hong Kong Motor Vehicle Transport Workers General Union, in the past taxis were mostly operated by the drivers and there were some companies who had a system of operating these taxis; and if there were complaints these companies of operators could seek improvement actions. Therefore, it was better run in the past, but after the Government allowed individuals to operate taxis, the management system is not as good. There was no proper management. Was that the reason for the low quality of taxi services?

SECRETARY FOR TRANSPORT (in Cantonese): Sir, I believe that we should indeed consider this point. In recent years, many taxis are rented out to the drivers - the owners collect monthly rentals. In other words, the drivers themselves want to make more money. Therefore, they will make full use of the time and opportunities to increase their income. That being the case, it may lead to malpractices. Therefore, TAC hopes to listen to the views of the drivers so that we shall have a better understanding of the situation and take improvement actions.

MRS. FAN: Sir, can the Secretary inform us out of the 538 complaints, how many have been substantiated and how does this rate of substantiated complaints compare with the previous two years?

SECRETARY FOR TRANSPORT: Sir, of the 538 cases complained against 266 prosecutions were made during the same period, this is an increase over the previous two years which were 225 and 245 respectively. However, I must point out that the number of prosecutions does not relate directly to the number of complaints because it would take time for the police to take action against the complaints. So the figures in the period do not correspond directly to the number of complaints of the same period, but it does indicate that the number of prosecutions has increased because of the increased complaints and the police are taking more action against them.

Resettlement prospects of Vietnamese refugees

2. MRS. FAN asked: In view of the gradual opening of closed centres for Vietnamese refugees, the understanding reached between UNHCR and the Hong Kong Government, and the support expressed by other countries for the screening process now monitored by UNHCR, is the Government aware of any efforts made by UNHCR and the British Government to increase the resettlement prospects of Vietnamese refugees stranded in Hong Kong?

SECRETARY FOR SECURITY: Sir, the UNHCR has primary responsibility for the resettlement of refugees in Hong Kong. The Hong Kong Government works closely with the local UNHCR and the consulates and commissions of the main resettlement countries to promote resettlement opportunities. This effort is matched by the British Government's own efforts on our behalf in London and in foreign capitals.

The British Government itself has a continuing resettlement programme operating on Hong Kong's behalf. On 8 May 1987, the Home Secretary, Mr. Douglas HURD, announced Her Majesty's Government's decision to accept a further 468 refugees from Hong Kong for resettlement in the United Kingdom, under relaxed family reunion criteria, at a rate of 20 per month, spread over two years. The offtake started in July last year and 320 have been resettled so far. We understand that Her Majesty's Government are continuing to keep under review all aspects of the problem, including resettlement.

There have been significant developments during the summer which we hope will improve prospects for further resettlement:

First, following the introduction of our new policy of screening and repatriation

on 16 June, we believe that we have now managed to reduce the outflow of the Vietnamese boat people to Hong Kong;

Second, last week in the London talks the Vietnamese representatives accepted the need for comprehensive arrangements for boat people arriving in Hong Kong after 15 June 1988, who did not qualify for resettlement in other countries; and

Third, we have agreed with the Vietnamese Government to make an immediate start on the repatriation to Vietnam of those who have asked to return.

We believe that these developments have reduced to more finite proportions the refugee population stranded in the territory, and will assist in countering the 'pull factor' which has been given by at least one resettlement country as a reason for not resettling more.

Another important development this summer has been the conclusion of a statement of understanding in which the UNHCR reaffirms its intention to use its best endeavours to secure speedy resettlement or other durable solutions for all refugees in Hong Kong.

On this basis, we believe that conditions are more favourable now for UNHCR, Her Majesty's Government and ourselves to approach the resettlement countries to seek a renewed commitment to help resolve our refugee problem. This will be our intention during the coming months, and as you will have heard the Governor is taking the opportunity of his visit to Europe at present to press countries there to increase their resettlement quotas.

MRS. FAN: Sir, the intake of 20 per month by the United Kingdom was considered to be minimal by many people including representatives of other resettlement countries. Will this Government urge the British Government to increase its own intake so that its efforts to persuade other countries can be substantiated by its own commitments?

SECRETARY FOR SECURITY: Yes, I can give that undertaking. It is something which we have been doing for many months and we shall continue to do it, I can assure Mrs. FAN.

MR. HUI: Since the efforts made by both the UNHCR and the United Kingdom to increase the resettlement prospects of Vietnamese refugees in Hong Kong have not been significant - could I say especially in terms of numbers for resettlement - what more pressure can Hong Kong Government bring to bear on UNHCR and the United Kingdom in order to obtain better results?

SECURITY FOR SECURITY: Sir, I think this can be done in two ways. We can and shall continue to press both the UNHCR and the United Kingdom Government at every opportunity to obtain or provide additional resettlement places. Secondly, in the margins and in the course of a number of conferences which will be taking place starting next week and extending through until the summer of next year, we shall make the most of our presence at these conferences to put our views across.

MRS. FAN: Sir, the Secretary referred to the statement of understanding between the Hong Kong Government and UNHCR. According to this statement, the UNHCR will actively monitor the screening procedure in Hong Kong. The Government of the United States warmly welcomed this statement and expressed confidence in this screening process. Has the Government or any other relevant parties urged the United States to accept all the screenings, that is, those people who are classified as genuine refugees, for resettlement in the United States without the application of the criteria which had been rigidly followed in the past and which had rendered most of our refugees unacceptable for resettlement in the United States?

SECRETARY FOR SECURITY: No, Sir, we have not taken that particular point up with the United States Government. It is a point, I think, worth bearing in mind and I shall undertake to raise this at an appropriate opportunity with the United States representatives.

MR. CHEONG: Sir, it was said in the reply that the repatriation is going to take place very, very soon. Could we have any figures from the Secretary? What is the likely number being repatriated and within what period of time?

SECRETARY FOR SECURITY: It is slightly outside the actual context of the question but the repatriation talks in London covered, of course, not only those who had asked to return but also those who had not asked to return. However, what was agreed in London, without giving up the principle of repatriation of those screened out as illegal immigrants, was that those who had asked to return, who at the moment number 360, should be returned as soon as suitable arrangements can be made. In the talks in London with the Vietnamese, we proposed that a start should be made before the end this year of these voluntary returns. The Vietnamese side were agreeable to this and it is now a matter of getting agreement on the actual mechanism for the returns to start. I hope it will, as agreed, start before the end of this year.

Manpower resources for the Stage V development of Kai Tak

3. MR. BARROW asked: With the Stage V development of Kai Tak scheduled for completion by the end of this year, will Government inform this Council whether financial provisions have been made to provide the necessary manpower resources required to cope with additional workload arising from the new facilities; what is the present establishment of Immigration Officers and by how many will it be increased to ensure that the new facilities are properly manned?

FINANCIAL SECRETARY: Sir, the operational departments have been given the necessary financial provision and manpower resources to cope with the additional workload arising from the Stage V Extension of the Passenger Terminal Building at Kai Tak Airport.

The Airport Management Division of the Civil Aviation Department has provision for 17 new posts comprising Airport Managers and other staff to deal with the introduction of new facilities and systems in the Stage V Extension. This will be augmented by a further 13 posts in the 1989-90 financial year.

The current establishment of the Airport Immigration Division is 599. This will be increased by 59 posts to a total of 658, when the Stage V Extension comes into operation.

Currently, the annual passenger throughput at Kai Tak is about 14.4 million. The

Stage V extension will increase the handling capacity to 20 million. Additional resources will be made available to maintain the standard of service as the volume of traffic increases.

MR. BARROW: Sir, may I thank the Financial Secretary for confirming that additional manpower will be in place. Since submitting my question, I have heard that as a result of the labour shortage in the construction industry and other factors, there have been delays in completing Stage V. Whilst this may be a matter of contractual performance, could the Government confirm that if there are justifiable reasons for additional financial resources to be put behind the project, this will be made available in the near future so that Stage V can open prior to the peak period of Chinese New Year?

HIS HONOUR THE PRESIDENT: Somewhat outside the scope of this question but the Financial Secretary may care to comment.

FINANCIAL SECRETARY: Sir, I think the key that gives me the answer is the expression 'justifiable reasons'. If there are justifiable reasons, then we will do our best to make funds available subject, of course, to the approval of the Finance Committee.

Road works in the vicinity of schools

4. MR. DAVID CHEUNG asked: Will the Government inform this Council whether, in approving road-works which generate much noise in the vicinity of schools, account is taken of the timing as to when such works should be carried out so as to minimize the disruption to classes?

SECRETARY FOR TRANSPORT: Sir, Government is aware of the problem of noise generated by road-works, its disruptive effects on the general public and, in particular, on students attending classes. Continued efforts are being made to reduce noise levels generated by road-works near noise sensitive institutions such as schools and hospitals.

Contractors employed to carry out road-works are required by contract to employ plant fitted with sound suppressing devices in compressors, jack hammers and road breakers, which generate most noise and vibration.

For routine road maintenance, work is often intermittent and may last for several days. Operations are planned in such a way as to avoid peak traffic and noisy operations outside schools. As to major maintenance projects, they are programmed to take place, whenever possible, during school holidays in order to minimize the effect of noise on school classes.

In capital works projects where work sites are occupied for much longer periods, it is not always possible to programme the works to suppress plant noise without seriously disrupting the progress of the works, which are commonly subject to extremely tight construction schedules.

MR. DAVID CHEUNG: Sir, why is it that very often road works and road repair works are carried out during school hours? Are such cases unavoidable? Is it the lack of co-ordination on planning? And I speak from my own experience.

SECRETARY FOR TRANSPORT: Sir, I fully sympathize with Mr. CHEUNG, based also on my own experience as former Director of Education; but in the case of the highways projects, there is a regional committee on road openings (Hong Kong, Kowloon and the New Territories). Road-works and repairs are co-ordinated as far as possible (a) to reduce duplication of efforts and (b) to speed up the road-works together. As to the question of whether road-works can be carried out outside school hours, as we all know, school hours are very long -- starting in the morning until late in the evening. If we cannot do the work in the day time, we can only do it in the night time. Night time means residents will be disturbed in their sleep. So, it is a question of choice in most cases as to which is the lesser of two evils, bearing in mind that road-works are essential to repair and to improve traffic, but in all cases as I said before, we have tried our best to ensure that the contractors will use sound suppressing devices and that road-works are speeded up as far as possible and school sites avoided as far as possible.

MR. EDWARD HO: Where capital works projects necessitate the programming of road-works during school hours and for long periods, is it possible for room air-conditioners to be provided to classrooms to mitigate against noise generated by road-works?

SECRETARY FOR TRANSPORT: Sir, perhaps I should explain that in capital works projects which might affect nearby schools or hospitals, there is always an environmental study on these projects before they are implemented and every effort is made to alleviate the noise problems. For example, in the case of the Route V linking Tsuen Wan with Sha Tin, noise barriers are installed in this route to reduce noise levels to surrounding houses and institutions. And in the case of the Prince Edward interchange, covers are provided at the elevated road at such junctions to reduce noise; but I believe that the question of noise pollution in schools is being handled by the Secretary for Education and Manpower under a school noise reduction programme which he handles on a question of priorities. I believe that air-conditioners are installed as a matter of priority depending on the needs of the schools concerned.

MR. DAVID CHEUNG: Sir, if such cases are really unavoidable, could schools involved be informed beforehand so that certain measures could be taken by the school authority to cope with the disturbance?

SECRETARY FOR TRANSPORT: Yes, Sir, I can certainly ensure that this is done. In practice, I think it is done in many cases. I should also add that the Examination Authority normally informs all government departments about examination periods and the Highways Department does take care that these works are carried out outside examination periods in all cases.

Traffic management measures for the Light Rail Transit System

5. MR. TAI asked: Sir, in view of the serious traffic accidents involving the LRT that have occurred since the commencement of its operation, will the Government inform this Council what steps will be taken to achieve better co-ordination among the government departments concerned and KCRC to improve road safety in the north-west

part of the New Territories; and to increase the number of traffic police in the region in order to improve traffic management?

SECRETARY FOR TRANSPORT: Sir, the co-ordination and implementation of traffic management measures for the safe operation of the Light Rail Transit system is monitored by the Government-KCRC LRT Liaison Committee set up in 1984. This committee takes full account of the comments of the Joint Monitoring Group of the Tuen Mun and Yuen Long District Boards. Publicity and public education on road safety is overseen by its sub-committee, with input from the two district boards.

In addition, a Working Group on Junctions chaired by the local representative of the United Kingdom Railway Inspectorate was set up in late 1987 to ensure the safe operation of each pedestrian crossing along the LRT track. It meets fortnightly to examine such matters as speed limits of the light rail vehicles, adjustment to signal phasing and the need to provide additional segregated crossings. Finally, there is a Regional Liaison Group involving the police force, Fire Services Department and KCRC to review emergency arrangements and operational matters.

While the LRT system has been certified safe by the United Kingdom Inspector of Railways before its opening in mid-September, recent accidents point to the need for a further review of the interface between the LRT and other road traffic. I have therefore set up a working group earlier this month to ascertain possible refinements to the system. Improvements identified so far include the installation of additional physical barriers, audible warning signals and longer-term modifications to junction layout. Ongoing public education efforts will be further strengthened.

The police have deployed 27 traffic police officers in both districts on road safety and enforcement duty, in addition to the uniformed police. The Police New Territories Regional Headquarters also deploys additional traffic police officers to both districts as required. Generally, to ensure sustained police presence on the roads, 68 new posts of traffic police for the New Territories Regional Headquarters have been included in the 1989-90 draft estimates.

MR. TAI: Sir, in view of the fact that a substantial portion of the LRT platform is occupying existing road space and in light of the rate of increase in population and traffic volume in that particular region of the New Territories, could the Government

inform this Council whether there is any co-ordination among the Lands and Works Branch, Territory Development Department, Town Planning Office, the KCRC and the Transport Branch to speed up basic infrastructure projects to improve road safety consequential upon the commissioning of LRT?

SECRETARY FOR TRANSPORT: Sir, the working group I chaired earlier this month is to look at precisely this sort of problem between departments. It includes all the senior officers of the departments concerned mentioned by Mr. TAI, and will focus on the longer-term and broader aspects of interface between the LRT and road traffic. Things being considered in the longer term include the design of junction layouts, the question of the road geometry in future layouts and the question of ensuring there will be sufficient flyovers and pedestrian crossings to improve the pedestrian flow and to improve safety. So, all these are being looked at in my committee.

MR. EDWARD HO: Sir, in the Secretary's reply, I can count at least five liaison committees and working groups concerned with the LRT. Will the Secretary inform this Council what is being done to co-ordinate the work of these committees?

SECRETARY FOR TRANSPORT: Sir, I think each of these groups has its own particular functions. The first group is a regular liaison group and the second group on junctions is a particular group which operated mainly before the commissioning of the LRT. The regional liaison group involves only emergencies. The working group which I chair, I think, is the main co-ordinating body to look at the overall problems and to ensure that all the efforts are put together and well co-ordinated. This is why I felt there is a need to do so and this is why I established this committee earlier this month. I can assure Members that both the Government and the corporation are working together closely in these areas.

MR. HUI: Sir, since there are 56 road crossings along the LRT and since most of the accidents occurred in some of these major crossings, can the Government inform this Council what special arrangements can be made for these major road junctions in order to minimize the re-occurrence of accidents and how soon these arrangements can be implemented?

SECRETARY FOR TRANSPORT: Sir, the number of junctions we have found in the first phase cannot, in practice, be reduced because of the need to serve the neighbouring districts of Yuen Long and Tuen Mun. To reduce the number of junctions now would mean that the number of cars and other vehicles will be blocked up while the LRT is in operation; but in future on phase II we have reduced substantially the number of junctions in the regional extensions and this should reduce the need for interface in the future extensions. As regards current measures being taken in the current junctions, my group has identified a number of measures. These include installing physical barriers to prevent cyclists and pedestrians from rushing into the LRT track, installing audible signals at certain junctions to give extra warning to pedestrians when two LRVs are coming together and to consider further installation of pedestrian crossings and flyovers. At present, there are 35 pedestrian crossings and flyovers in the entire phase I and seven more are being installed or planned. We hope that with these extra measures, and the improved pedestrian crossings, the question of risk will be very much reduced overall.

MR. SIT (in Cantonese): Sir, the LRT since its commissioning has given rise to a number of accidents with injuries, and it is the subject of interest and concern by members of the public in our district. Can the Government inform this Council whether it is satisfied that in the exclusive zone, it is providing an adequate service; and in view of the fact that recently a lot of complaints have been received by the OMELCO and the press and so on concerning the inadequacy of the service of the LRT, will the Government consider amending Cap. 230, the Public Omnibus Ordinance, Section 24 (a) to enable buses to set down and pick up passengers within the Transit Service Areas to meet the shortfalls?

HIS HONOUR THE PRESIDENT: That is an irrelevant question but the Secretary for Transport may care to comment.

SECRETARY FOR TRANSPORT (in Cantonese): Sir, since the LRT has started regular service a month ago, it is a little premature to assess the adequacy of the service, but 10 additional vehicles have been deployed and it is hoped that such additional deployment will be able to enhance service provided. As to whether bus services are adequate, the KCRC is stepping up its service via the feeder routes. Later on, we will consider

how to take things further and whether or not to step up bus services in general.

MR. MARTIN LEE: Sir, will the Administration consider allowing a committee of the Legislative Council to study the many problems relating to the obviously unsatisfactory manner in which the LRT has been operated under the provisions of the Legislative Council (Powers and Privileges) Ordinance?

SECRETARY FOR TRANSPORT: Sir, I shall have to consult the Attorney General on the legal implications of this committee vis-a-vis the KCRC Ordinance before I can reply. (See Annex I)

MR. TAI: Sir, may I ask the Secretary how could the committee, as just mentioned by the Secretary of Transport, see to the implementation of identified projects in time? As we can see, the changing pattern in that particular region is now creating safety hazards to road users.

SECRETARY FOR TRANSPORT: Sir, the working group has started work and work is being done to install all the improvements which I just mentioned. It is an ongoing job and I believe that the short-term measures are being undertaken and the medium-term measures will also be planned in time for the refinement of the system in phase I. As regards phase II, there is sufficient time now to incorporate all these improvements before they are ready in the next few years. So, there is time for improvements in phase II.

MR. DAVID CHEUNG: Sir, other than publicity on television cautioning people, drivers, pedestrians and LRT users to be more careful, will the Secretary inform this Council what other means of publicity will the Government or the KCRC take to educate members of the public?

SECRETARY FOR TRANSPORT: Sir, there is a very long list of efforts being taken now both at the district and territory-wide level. The two district boards concerned have been most helpful in promoting safety of LRT in the districts concerned. A

number of talks are being arranged with schools and extra publicity is being handed out to all families in the districts. There are video shows in community centres and there are many talks and seminars for bus drivers and taxi drivers and for schools as well as for school children. Thousands of pamphlets are being handed out to pedestrians and cyclists. So all these efforts together should help strengthen the safety measure. In addition, we have also arranged with radio broadcasting stations to make radio announcements reminding people of LRT safety and this is now being implemented in every radio announcement and traffic bulletin every hour of the day; and I trust this message will get down gradually to the people in the districts concerned to improve safety awareness.

Vagabonds and street sleepers

6. MR. CHAN asked (in Cantonese): Will Government inform this Council whether or not it has received proposals from district boards for solving the problem of vagabonds and street sleepers, what the details of these proposed solutions are, and whether Government has adopted any of them, in particular those concerning vagabonds who are posing a threat to the safety of the public?

SECRETARY FOR HEALTH AND WELFARE: Sir, over the years, most district boards, and in particular those in the urban region, have discussed the problem of street sleeping.

For the sake of brevity, I do not propose to detail all the proposals made by district boards, which, in many cases, have focused on the environmental problems caused by street sleepers in their respective districts. I should, however, like to highlight certain more recent proposals which were made in a report submitted by the Environmental Improvement Committee of the Sham Shui Po District Board as well as during a discussion on this matter in the Wan Chai District Board.

The report produced in 1987 by the Sham Shui Po District Board made a detailed analysis of the problem of street sleeping in that district. It contained a number of recommendations, the most prominent of which were the need, firstly, to establish a committee which would review policy on, and co-ordinate the provision of services to, street sleepers; secondly, to provide street sleepers with adequate rehousing arrangements; and thirdly, to suggest that legislation prohibiting street sleeping

should be considered.

The recommendations in the Sham Shui Po report were examined by a Central Co-ordinating Committee on Street Sleepers which, in fact, had been established under my branch shortly before the report was submitted. Whilst most of the recommendations were in keeping with existing government policy, the central committee supported the view that greater emphasis should be placed on providing accommodation in the urban area for homeless persons, including street sleepers. As a result, the Salvation Army, with the support of the Social Welfare Department, will shortly be opening an urban hostel in Yau Ma Tei to provide the homeless with permanent accommodation. This pilot scheme will test the feasibility of this new approach, and we are now actively pursuing the establishment of a second such hostel under this pilot scheme.

The Wan Chai District Board discussed the problem of street sleeping in its district meeting in August this year, with particular emphasis on the problem of street sleepers who suffer from mental disorders and who may or may not pose a danger to the public. Among the views expressed were suggestions which ranged from extending more time and effort to help the homeless, to requiring the mentally disturbed to undergo counselling in an institution.

In regard to the latter, the Mental Health (Amendment) Ordinance, which was passed by this Council in the last Session, contains a provision for a police officer to take any person who is believed to be suffering from a mental disorder, and who is a danger either to himself or to the public, to a hospital for medical examination. When this provision was debated in this Council, my predecessor pointed out that this power is strictly limited to the transfer of a patient to an accident and emergency department of a hospital where he will receive proper medical treatment and be subject to a professional assessment of this mental condition. The patient can be detained for this purpose for not more than 24 hours, unless further action is taken under other provisions in the Ordinance. I would like to add that this provision, which will come into force early next year, is not targetted specifically at street sleepers, and will be used with the necessary discretion.

Sir, I would like to take this opportunity to assure this Council that the Administration will continue to make every effort to persuade the homeless to make use of the various services and forms of accommodation which are available through the Social Welfare Department, the Housing Department, and the concerned voluntary agencies.

MR. CHAN (in Cantonese): Sir, may I be informed how many street sleepers suffer from mental disorder in Hong Kong and what is the Government doing to help them?

SECRETARY FOR HEALTH AND WELFARE: Sir, of the 1,300 street sleepers who were recorded by the Social Welfare Department at the end of August, 163 were suspected to be mentally ill. I suppose, Sir, that the main problem that they cause is that some residents in nearby areas might think that they pose a danger to their safety. At present, the Social Welfare Department has outreach teams which assist street sleepers who are suspected to be mentally ill. They try to persuade them to seek medical assistance and to make use of the other services and facilities which are available to them.

MISS LEUNG: Sir, the Secretary mentioned that in the report produced by the Shum Shui Po District Board, it was suggested that legislation prohibiting street sleepers should be considered. Will the Secretary inform this Council what is the view of the Central Co-ordinating Committee on Street Sleepers on this suggestion?

SECRETARY FOR HEALTH AND WELFARE: Sir, I will inform Miss LEUNG through you of my view on the suggestion. For legislation to be effective, there has to be a deterrent and it is obvious that street sleepers cannot pay heavy fines. So the only deterrent would be imprisonment, and I do not think the answer to street sleeping is to legislate street sleepers out of existence by imprisoning them. Sir, I would think that Hong Kong cherishes the freedom of the individual and that the kind of legislation one could envisage to prohibit street sleeping would unlikely be consistent with the values which we, as a society, place on human rights.

MRS. TAM: Sir, as suggested by the Wan Chai District Board, counselling service is essential for street sleepers. Could the Secretary inform this Council other than purely providing accommodation to street sleepers whether counselling service is also provided in these hostels? If not, why not?

SECRETARY FOR HEALTH AND WELFARE: Sir, I do not have the answer. I shall provide it in writing. I do not know whether counselling service is provided in hostels. (See Annex II)

MRS. LAM (in Cantonese): Sir, will the Government consider drafting special legislation to enable relevant departments to help the really pitiful vagabonds and street sleepers suffering from mental disorder so that they will be given long-term help and guidance?

SECRETARY FOR HEALTH AND WELFARE: Sir, as I said in a reply to an earlier question, the Social Welfare Department's outreach teams do try to persuade street sleepers who are suspected of being mentally ill to seek medical assistance. Beyond persuasion, I do not think that it would be appropriate to empower them to require people to receive such medical treatment. As I said in my main reply, Sir, starting from early next year when the Mental Health (Amendment) Ordinance comes into effect, the police will have the power to take to a hospital for examination people who are suspected of suffering from mental disorder and who, in the view of the police, pose a threat either to themselves or to others; but under that provision the period of detention in the hospital may not exceed 24 hours. If the medical opinion at that time is that it is necessary to extend the period of observation, then an application will have to be made to a district judge or magistrate for an order to place the patient in a mental hospital for a period not exceeding seven days including the original 24 hours. Beyond those seven days, it will be strictly a matter of medical opinion as to whether the patient requires further hospital treatment. If not, then under the law he will have to be released.

MR EDWARD HO: Sir, is it a question of accommodation that we cannot dissuade sleepers from sleeping in the street?

SECRETARY FOR HEALTH AND WELFARE: Sir, it is only partly a question of accommodation. Perhaps I can illustrate the problem by quoting some statistics. As I said, at the end of August there are estimated to be 1 300 street sleepers and the number has remained rather constant over the years, but this does not mean that the situation is static. Over the last 18 months, for example, the Social Welfare Department has

been able to provide alternative accommodation for 520 such street sleepers. This indicates that while on the one hand the Social Welfare Department is having some success in rehousing street sleepers, on the other hand more people -- though in the context of the total population a very small number -- are continuing to turn to street sleeping.

MR. CHAN (in Cantonese): Sir, it is said that there are, throughout the territory, 163 street sleepers suspected of having mental disorder but they do not seem to pose a danger to the public. Does that mean that the Mental Health (Amendment) Ordinance will have little relevance here? Will the Government consider thoroughly solving the problem because since the establishment of the Wan Chai district board, the matter has been discussed at this District Board and its sub-committees for over 34 times.

SECRETARY FOR HEALTH AND WELFARE: Sir, the Ordinance has not yet come into effect. So it is too early to say whether it is effective or not. As to the intractable nature of the problem, I can well understand the reason why the Wan Chai District Board may feel frustrated. But as I said earlier, the situation is not static. The personalized approach that we have adopted has had some success in that the Social Welfare Department has been able to find alternative accommodation for 520 street sleepers in the past 18 months and if I may quote some other statistics : out of the 1 300 street sleepers about 680 are receiving either public assistance, disability allowance, cash assistance, old-age allowance or combinations of these.

Use of high technology for criminal activities

7. PROF. POON asked: Is Government aware of recent reports on the use of high technology by triads in manufacturing equipment for criminal activities so that they may easily destroy evidence when the police raid illegal establishments; and if so, what measures will Government take to tackle this problem?

SECRETARY FOR SECURITY: Sir, I am aware of recent press coverage of a case in which an illegal gambling establishment was reported to have used soluble paper in its gambling operations. The police have investigated several cases in the last few

years where illegal bets were written on such paper, which dissolves without trace in water.

In itself this is not perhaps a very good example of the use of high technology by triads. Soluble paper has been manufactured commercially for more than 20 years, has many perfectly legitimate applications, and is readily available in Hong Kong. Given its commercial and industrial use the Government has no plans to place restrictions on this product.

Clearly, it is very important for police officers conducting raids to gather evidence. This can often be difficult: for example, many exhibits can be flushed away or thrown out of windows. All district squads are fully aware of the use of soluble paper by illegal gambling operators and the Commissioner of Police is not aware of any prosecution having failed because evidence on soluble paper was destroyed.

PROF. POON: Sir, with reference to the last sentence of the Secretary's reply, has the Government got any plan to ensure that effective prosecution may be made in this concept of illegal activities?

SECRETARY FOR SECURITY: The short answer, Sir, is no. But each case, of course, when brought before prosecution, is different. It would be very unusual, I am told, for the only shred of evidence to be soluble betting slips. Inevitably, there will be other paraphernalia connected with whatever type of gambling that has been going on -- whether it be cards, dice, roulette or illegal book making and so on. I would add that in any proceedings under the Gambling Ordinance, it is not necessary to prove that gambling involves any money or other property.

PROF. POON (in Cantonese): Sir, has the Government paid attention to other reports regarding the use of high technology for illegal activities like illegal screening of blue movies? The movies may be screened from neighbouring mansions and that within the screening room, there is no video tape at all. So, what will the Government do to tackle these problems?

SECRETARY FOR SECURITY: Sir, the police are aware of the use by triads of a wide range of high technology, electronics, communications and projection equipment which is readily found in Hong Kong. They are not only aware of these activities but they are taking steps to combat the problem. I would prefer, Sir, for operational reasons, not to elaborate.

Hire-purchase legislation

8. MR. MARTIN LEE asked: Will the Administration inform this Council why there has been such inordinate delay in introducing hire-purchase legislation to this Council?

FINANCIAL SECRETARY: Sir, before answering Mr. LEE's question I would like to take this opportunity to congratulate him upon his appointment as chairman of the Consumer Council. I hope he and his distinguished predecessor, Mrs. Selina CHOW, will forgive me if I say he has a hard life to follow. But this question has made a good start. Mr. LEE is absolutely correct when he refers to the delay in bringing before this Council hire-purchase legislation. The subject has a long and tangled history, but I can assure Members that the question of whether or not there was a necessity to control hire-purchase business in Hong Kong has been examined from time to time in some depth.

In 1977 the Consumer Council submitted to the Administration a 'report on Hire-Purchase in Hong Kong'. A working group was established, and it was decided that the report should be accepted in general terms and that legislation should, indeed, be introduced into the Legislative Council. Unfortunately, as drafting progressed, it became apparent that there were a number of difficult issues upon which there was little consensus and, to cut a long story short, it was not until 1985 that the Secretary for Economic Services was able to circulate a revised draft to interested parties, including the Consumer Council and various persons engaged in the hire-purchase business.

Regrettably, the draft Bill found little support and it was subjected to many critical but often contradictory adverse comments. There seemed no clear way forward.

During the progress, if I may use that term, of the draft Bill, the necessity for hire-purchase legislation in Hong Kong was re-examined, and it was noted that the number of complaints to the Consumer Council in relation to hire-purchase transactions was comparatively small. So it could be argued that the demand for hire-purchase legislation appears to have decreased. Possibly this is due largely to increasing affluence in the community and the wider availability of other forms of consumer credit, such as credit cards and bank loans. The number of complaints received by the Consumer Council fell from 105 in 1980-81 to a mere 16 in 1987-88. Whilst I do not believe that this should be the sole determinant as to whether or not hire-purchase legislation should be introduced in Hong Kong, it is obviously a factor.

There is another aspect to the apparent delay. The Law Reform Commission reported on the subject of the control of exemption clauses in December 1986. The report of the commission, which picks up a number of the important provisions under consideration in the context of possible hire-purchase legislation, has been accepted in principle, and it is the intention that a Bill dealing with the control of exemption clauses should be introduced into this Council later this session.

Sir, the Administration recognizes that there could be a problem in relation to hire-purchase contracts and therefore we keep this subject under close review. We propose to study the possible need for further legislation in the light of experience with the implementation of the Control of Exemption Clauses Bill, which as I have indicated, will be introduced into this Council later this session.

MR. MARTIN LEE: Sir, will the Administration give this Council an undertaking that the Control of Exemption Clauses Bill will definitely cover the area of hire-purchase agreements in which the consumer clearly needs protection?

FINANCIAL SECRETARY: Sir, the Control of Exemption Clauses Bill will be aimed generally at improving control over exemption clauses and this includes clauses relating to implied terms of hire-purchase contracts.

MR. MARTIN LEE: Sir, in relation to the answer of the Financial Secretary relating to a lack of consensus on 'a number of difficult issues', will the Administration

inform this Council whether it is adopting a new policy of not introducing legislation without prior consensus or is it being applied only to hire-purchase agreements and if so, why?

FINANCIAL SECRETARY: Sir, there is no new policy. We do try to take into account a multiplicity of views that were expressed. In relation to hire purchase, it is not an entirely simple subject and there are conflicting views which are difficult to reconcile.

MR. ARCULLI: Sir, will the Financial Secretary inform this Council whether it is the view of the Administration that there is no urgency in this area of consumer protection?

FINANCIAL SECRETARY: Sir, I think I have answered that question by pointing to the lack of complaints that have been received by the Consumer Council. As I have said, it is not the only determinant but the impression we have gained certainly is that the need for hire-purchase legislation is not as pressing as it was before.

MR. MARTIN LEE: Sir, may I ask two supplementaries: (i) is it the government policy to let a problem die away so as to justify non-legislation as in this case; and (ii) in relation to the conflicting views expressed to the the Administration, should these conflicting views not be resolved in the Legislative Council because, after all, there could be consensus?

FINANCIAL SECRETARY: On the first part, Sir, about problems dying away, I suppose it could be argued that a dead problem is not a problem. So it does not really need a solution. On the second part of the question -- the reconciliation of conflicting views -- obviously the Administration likes to do as thorough a job as it possibly can in reconciling these conflicting views before it takes proposal to the Executive Council, let alone this Council.

Written answers to questions

Extension of Traffic Accident Victims Assistance Scheme

9. MR. TAI asked: Will Government inform this Council whether consideration would be given to extending the Traffic Accident Victims Assistance Scheme to include victims of traffic accidents involving the LRT?

SECRETARY FOR HEALTH AND WELFARE: I can confirm that the Administration is considering extending the TAVA scheme so that all victims of accidents involving the light rail vehicles of the Light Rail Transit system are eligible to apply for assistance. The Administration has already held preliminary discussions with the Kowloon-Canton Railway Corporation, which operates the LRT, during which the corporation has indicated its interest in bringing the LRT within the ambit of the TAVA scheme. I recently wrote to the corporation, formally seeking their advice on just such a proposal. They have just replied, agreeing to the proposal. The advice of the Executive Council will as soon as possible be sought as to whether a Bill to give effect to this proposal should be introduced into this Council, within the current session.

I should like to take this opportunity to confirm that victims of accidents involving light rail vehicles on the integrated sections of the LRT track are already eligible to apply for financial assistance under the scheme, since those sections of the track are, like the tracks of Hong Kong Tramways Ltd., within the definition of 'road' in the Ordinance governing the scheme. The segregated sections of the LRT track are not within that definition, but the Director of Social Welfare may utilize charitable funds to provide assistance, similar to that available under the scheme, to victims of accidents on that part of the track. The effect of the Bill referred to above would be to include the whole of the LRT track within the ambit of the Ordinance, as well as to include the light rail vehicles of the LRT within the Ordinance for the purpose of raising an appropriate levy on the vehicles similar to that currently charged in respect of other vehicles which are used on the road.

Clearance compensation in connection with the Tate's Cairn Tunnel project

10. MRS. TU asked: Will the Government inform this Council whether indigenous villagers of Yuen Leng Village in New Kowloon situated at the southern end of the Tate's Cairn Tunnel are being given less favourable rehousing treatment than those being cleared at the northern end of the same project and, if so, whether the Government would consider giving both groups identical treatment?

SECRETARY FOR LANDS AND WORKS: The Tate's Cairn Tunnel project requires clearances in both the Diamond Hill area in New Kowloon (southern end of the project) and in Sha Tin (northern end of the project). As far as rehousing arrangements are concerned, all clearances are offered the same treatment, that is, either permanent or temporary rehousing according to their eligibility.¹

All clearances holding private land are entitled to statutory compensation. However, ex-gratia compensation is also offered to owners of old scheduled agricultural lots and building lots. Different rates approved by the Finance Committee of the Legislative Council apply in the New Territories and in the urban area because of the differences in land values in these areas. Indigenous villagers holding old scheduled building lots are also compensated for the loss of accommodation on top of their land. In the New Territories, under the village removal policy, indigenous villagers holding old scheduled building lots will normally be eligible for one resite house (of 700 sq ft and three storeys) for each 0.01 acre of their land. Those who wish to construct their own houses are granted a plot of land of 700 sq ft and paid an allowance for building their houses. Alternatively, those who do not want a resite house can obtain public housing according to their eligibility.

In New Kowloon, indigenous villagers² holding old scheduled building lots will get a new ex-gratia allowance at the current rate of \$929 per sq ft. This is payable per sq ft up to 0.01 acre and thereafter only for the covered area being resumed. This allowance is a new allowance approved by the Executive Council and the Finance Committee in June 1988 as an enhancement to the existing ex-gratia allowance of \$2,000 per sq ft for an old scheduled building lot. It is considered that the enhanced allowance of \$2,929 per square foot should be sufficient to enable the villager to obtain alternative accommodation. In addition, indigenous villagers, who are also owner-occupiers, are entitled to the same public housing assistance offered to other clearances, that is, they can get public housing according to eligibility plus cash compensation. This treatment compares favourably with their counterparts in the New Territories.

Because of the shortage of land in the urban area and in the new towns, it is not possible to give resite house to New Kowloon indigenous villagers. The enhanced exgratia compensation package for these people is in fact designed to give them terms that are broadly comparable to their New Territories counterparts.

1 An owner occupier or a tenant who has lived in Hong Kong for 10 years or more and is listed in the pre-clearance screening and squatters who meet these requirements and who were also included in the 1984-85 squatter occupancy survey can get either public rental housing or a green form (priority) for buying an Home Ownership Scheme flat. One who has lived in Hong Kong for less than seven years or is not listed in the pre-clearance screening can get temporary housing if he is homeless as a result of the clearance.

2 For the purposes of this exgratia allowance an indigenous villager is defined as a person who has owned an old scheduled building lot since 25 December 1941 or who has inherited it through the male line from an owner who held it on or before that date.

Government Business

First Reading of Bills

LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1988

PUBLIC BUS SERVICES (AMENDMENT) BILL 1988

ROAD TRAFFIC (AMENDMENT) (NO. 2) BILL 1988

ROAD (WORKS, USE AND COMPENSATION) (AMENDMENT) BILL 1988

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

Second Reading of Bills

LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1988

THE SECRETARY FOR LANDS AND WORKS moved the Second Reading of: 'A Bill to amend the Landlord and Tenant (Consolidation) Ordinance'.

He said: Sir, I move the Second Reading of the Landlord and Tenant (Consolidation)(Amendment) Bill 1988 standing in my name in the Order Paper.

The Bill permits landlords of pre-war domestic premises which are covered by part I of the Ordinance (that is, part I premises) to increase rents. It also seeks to clarify some existing sections in the Ordinance by introducing minor amendments.

At the end of 1987 there were only about 1 700 pre-war domestic premises under part I control (excluding village houses). Rents of these premises are controlled by reference to the rents payable as at 25 December 1941, termed the 'standard rent'. This when multiplied by a factor, gives the permitted rent, provided it does not exceed the prevailing market rent.

Since 1981 this Council has, each year, passed amending legislation to raise controlled rents step by step with the object of bringing them closer to market levels. We now propose to increase the permitted rent from the present 65% to 76% of prevailing market rent by increasing the factor from 35 to 39. This is an increase of about 17% or \$229 per month compared with 17% or \$190 per month approved in the 1987 review. Clause 2 of the Bill affects this change.

The remaining amendments are minor and technical in nature. They seek to clarify first the effective date of rent increase following a review by the Commissioner of Rating and Valuation or an appeal to the Lands Tribunal, second the time limit for appeals to the Lands Tribunal and finally the basis of certifiable rateable values of premises under section 50(10) (b).

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

Question on adjournment proposed, put and agreed to.

PUBLIC BUS SERVICES (AMENDMENT) BILL 1988

THE SECRETARY FOR TRANSPORT moved the Second Reading of: 'A Bill to amend the Public Bus Services Ordinance'.

He said: Sir , I move that the Public Bus Services (Amendment) Bill 1988 be read the Second time.

This Bill proposes amendments to two aspects of the Ordinance : first, to provide for the better control of passenger conduct on buses; and second, to correct a minor anomaly in the profit control scheme.

As to the first aspect, enforcement problems have emerged which convince the Government and the bus companies that better control of passenger conduct is necessary. Proposed controls should also be consistent generally with regulatory provisions in legislation governing other public transport services.

The Public Bus Services Ordinance provides for regulations and by-laws to be made to regulate the conduct of bus passengers. It includes a regulation-making power to authorize bus company staff to enforce the regulations. However, there is at present no provision authorizing such staff to enforce the by-laws. So clause 5 of the Bill proposes adding a new section 36A to authorize staff to enforce both the regulations and by-laws governing passenger conduct. Accordingly, the existing provision in section 35 limited to enforcement of regulations only, is to be deleted.

Sections 36A(1)(b), (c) and (d) re-insert existing regulatory and enforcement powers, removed from section 35 of the principal Ordinance, which permit staff to remove from buses, demand proof of identity or detain offenders contravening both regulations and, now, by-laws. Such powers are similar to those in other transport-related legislation regulating passenger conduct.

Section 36A(1)(a) introduces a new provision requiring passengers to comply with reasonable directions, given in the interest of public safety, by authorized bus staff.

For example, a driver might direct passengers to open the windows of a bus in typhoon conditions to reduce wind resistance and thereby lessen the risk of a bus being blown over in high winds. The essence of this provision is that a directive must be both reasonable and in the interest of public safety, and the courts would determine in cases of doubt. Similar provisions already exist in other legislation governing public transport services.

The second aspect aims to correct a minor anomaly in the profit control scheme. At present, both the China Motor Bus Company Limited and the Kowloon Motor Bus Company Limited, who are subject to the profit control scheme, are permitted by a provision in the Motor Vehicles Insurance (Third Party Risks) Ordinance, to each deposit \$2 million with the Treasury, in lieu of a motor insurance policy against third party risks. Such deposits are treated as fixed assets for the purpose of the profit control scheme under section 26 of the Public Bus Services Ordinance. However, the definition of 'operating receipts' in the scheme excludes any form of interest, including that on deposits. Shareholders therefore enjoy both the permitted return on the deposit and the accrued interest.

The Bill therefore proposes to amend section 26 by including, exceptionally, the interest earned on deposits for self-insurance as operating receipts, and so remove the anomaly of a double benefit to shareholders. This amendment has been agreed by the two bus companies concerned.

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

Question on adjournment proposed, put and agreed to.

Road Traffic (Amendment) (No. 2) Bill 1988

THE SECRETARY FOR TRANSPORT moved the Second Reading of: 'A Bill to amend the Road Traffic Ordinance'.

He said: Sir, I move the Second Reading of the Road Traffic (Amendment) (No.2) Bill 1988.

The Bill has two main purposes. The first is to extend the safety provisions of the Road Traffic Ordinance and its subsidiary legislations to private roads. The

second is to provide a legal framework for owners of private roads to control parking on their roads.

The provisions of the Road Traffic Ordinance which make reference to a road apply only to roads to which the public have access. In many private developments, although public access may be restricted, there is an extensive private road network used by a significant volume of vehicular and pedestrian traffic. It is uncertain whether these roads are subject to the control of the Ordinance.

To protect the pedestrians and motorists on private roads, the Bill provides a definition of 'private road' and applies the safety provisions of the Road Traffic Ordinance and its subsidiary regulations to such roads. These include provisions governing the driving conduct and licensing of motorists, and the insurance, licensing, construction and maintenance requirements of vehicles. Other relevant Ordinances including the Traffic Accident Victims (Assistance Fund) Ordinance and the Motor Vehicles Insurance (Third Party Risks) Ordinance will also apply.

Enforcement of traffic regulations on private roads requires proper traffic signs and road markings. The Bill empowers the Commissioner for Transport to prescribe a code of practice to give guidance to private road owners and to declare by notice in the Gazette certain signs and markings which they can place on their roads. For other signs and markings, the commissioner's prior approval is necessary. He may also require such owners to place, maintain, alter or remove certain signs or markings. If they fail to comply, the commissioner may carry out the work and recover the costs from the owners.

As the provisions of the Road Traffic Ordinance are not suitable for certain private roads, such as those within the restricted areas of the airport, the Bill empowers the Secretary for Transport to exempt such roads by notice in the Gazette. A defence is also provided for traffic offences committed in areas used for the carrying on of construction work or industry. This, however, does not cover traffic offences with serious safety implications, for example causing death by reckless driving.

Golf carts are used as a mode of transport on roads within certain private estates, but they are not subject at present to the safety and insurance requirements of the Ordinance. To correct this, the Bill amends the definition of 'village vehicle' to include golf carts. The owner of a golf cart is required to obtain a village vehicle

permit and to comply with the insurance and safety requirements before it can be used on a road.

At present, many private developments control unauthorized parking by towing away or immobilizing the vehicles. It is not clear whether they are entitled to do so. The Bill therefore permits regulations to be made to empower the owners to designate restricted parking areas, to impound, remove, or store vehicles parked in such areas and to charge fees for such activities. To exercise such powers, the owners are required to display warning signs at the entrances to the road, to use proper traffic signs and road markings to designate restricted parking areas, to use immobilization devices approved by the Commissioner for Transport and to deliver unclaimed vehicles to the police for disposal.

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

Question on adjournment proposed, put and agreed to.

ROADS (WORKS, USE AND COMPENSATION)(AMENDMENT) BILL 1988

THE SECRETARY FOR TRANSPORT moved the Second Reading of: 'A Bill to amend the Roads (Works, Use and Compensation) Ordinance'.

He said: Sir, I move the Second Reading of the Roads (Works, Use and Compensation) (Amendment) Bill 1988.

The Bill simplifies the legal procedures for giving notice to resume private streets. This is necessary to facilitate Government's programme to resume certain private streets for essential environmental improvement.

There are at present some 300 private streets scheduled to be resumed in the next 10 to 12 years. Due to multiple ownership and neglect by owners, these streets are poorly maintained and have given rise to serious environmental and traffic problems. It is therefore desirable in the public interest to resume such streets so that Government can take over proper maintenance and management.

Under the Roads (Works, Use and Compensation) Ordinance, when an order is made

resuming land, creating an easement or closing a road, Government is required to serve notice on every person having any estate, right, share or interest in the land mentioned in the order. This requirement for individual notice, if not modified, will impede severely Government's private street resumption programme as thousands of owners are involved and the workload in establishing ownership and in serving notices would be very substantial. It is estimated that, if the existing procedures are not simplified, it might take up to 30 years to complete the programme.

To speed up the programme, the Bill removes the requirement of serving individual notices where the land in question is a road. The other requirements under the Ordinance will remain. These include publishing the notice in one issue of the Gazette and in one issue each of a Chinese and English newspaper, affixing a copy on or near the land affected, and making it available for public inspection at government offices. Any person having a compensatable interest will still be able to claim compensation. The requirement for individual notice will remain in the case of resumption of land which is not a private street.

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

Question on adjournment proposed, put and agreed to.

Member's Motion

PROPOSAL TO REGISTER HONG KONG'S INTEREST IN STAGING THE WORLD EXPOSITION IN 1997

MR. STEPHEN CHEONG KAM-CHUEN moved the following motion:

'That this Council urges the Government to give full and serious consideration to the proposal to register Hong Kong's interest in staging the world exposition in 1997 with BIE before the deadline of 20 November 1988.'

MR. CHEONG (in Cantonese): Sir, I move that the motion standing in my name as set out in the agenda be passed in this Council. The motion on which Honourable Members are going to debate today is "that this Council urges the Government to give full and serious consideration to the proposal to register Hong Kong's interest in staging the World Exposition in 1997 with the BIE before the deadline of 20 November 1988."

Since the signing of the Sino-British Joint Declaration, a promising future for Hong Kong relies, in my view, on two important factors : (i) the political stability and the continuation of open policies in China without reverting to past policies; and (ii) how the people of Hong Kong can be encouraged to adopt a positive attitude and to stand firm at their posts under trying situations so that they can continue to pave the foundation for the future of Hong Kong.

As to the first factor, the influence that can be exerted by the people of Hong Kong is quite limited. If China returns to its old policies, the future of Hong Kong would probably be dampened to a considerable extent. Nevertheless, on the other hand, I do believe that to fulfil the object of the second factor is the most urgent task lying ahead of us. We should try through various channels to cultivate the spirit and determination of the general public to undertake responsibilities, to unite together, to stand firm at their posts and to work in concert for the future of Hong Kong. The idea to study into the feasibility of Hong Kong staging a World Expo in 1997 is conceived towards this end. It is hoped that this exercise would give rise to more positive ideas and a good response from all walks of life, so that the people of Hong Kong could work in unity for the continued progress of our society. A week ago, I had the opportunity of conversing with a member of the Asahi Shimbun (HK) Bureau. It was learnt that the Expo 1970 held in Osaka had brought considerable immediate and long-term benefits to Japan. While the social and political climates in Japan at that time were harassed by radical emotions and uneasy feelings, the Japanese adopted a positive attitude and worked hard in concert to make the World Expo a success. As a result, the drive and resolution of the Japanese were known to the whole world. The immediate benefit brought about by the Expo 1970 to Japan is a sizable amount of revenue. In the long run, it has led to stabilized social and political climates and benefits in trade and tourism.

Sir, to arouse and maintain a positive attitude among the people is essential to the success of Hong Kong in future. Hence, in considering the feasibility of staging the Expo 1997 in Hong Kong, we should draw experience from foreign countries such as Japan and Canada and take a more positive approach to conduct a comprehensive study on the feasibility of the project as well as the advantages and disadvantages it may bring about.

It has never been my intention to ask the Government to decide instantly that the Expo 1997 must be held in Hong Kong. However, given the time constraint, I am

obliged to urge the Government to first register Hong Kong's interest in staging the Expo with the Bureau of International Expositions before making a full feasibility study.

The initial response of the Government to this proposal was positive. But due to reasons unknown, it suddenly cooled town. When I first put forward the proposal, the Secretary for Administrative Services and Information enthusiastically proposed to invite some business and political personalities to dinner in a bid to discuss and exchange views on the possibility of staging the Expo 1997 in Hong Kong. Yet the invitation was called off one week later and there was no further development. I had been asked by my honourable colleagues why such a thing happened. Before deciding on commissioning a consultant firm to conduct a pre-feasibility study at my own expense, I consulted my honourable colleagues whose views were very encouraging. They believed that it would be beneficial to Hong Kong if the Expo 1997 turned out to be a success. Moreover, we recognized the heavy workload of the branch secretaries and were also aware that it would be impossible for them to spare too much time to make indepth study on the technicalities of the proposal. We also felt that it would not be to the well-being of Hong Kong if the proposal was to be abortive in the absence of sufficient data. With the future of Hong Kong in mind, we worked with dedication and zeal, and took up what we could do despite the pressure from our tight work schedules. We carried on with our work during the Legislative Council recess period in order to complete the report of the Legislative Council ad hoc group on Expo 1997 for the reference of Members of the new Legislative Council session. When the pre-feasibility study was published in early October, I had asked the consultants to hold meetings with Government officials concerned so as to provide the latter with opportunities to query about the findings of the report. Meanwhile, I had clearly made known my position that the findings of the report would only serve to provide more detailed data for the information of the Government, so as to avoid missing a golden opportunity, and that they would by no means form a basis on which the decision of staging the Expo was to be made. In regard to the recent statement made by the Government working group, as there is a lack of supporting data, I have great reservations about its arguments. For instance, the working group assumes that major development projects such as housing, a new airport, environmental improvement works, roads and new port facilities cannot be launched if the world exposition is to be staged. But may I ask to what extent they affect one another? Has the Government ever attempted to substantiate its argument with facts and figures? From their rich experience Government officials should know that a very huge amount of money is needed to complete the above-mentioned major infrastructural projects. According to my

estimation, some \$200 billion is needed and it will take at least 12 to 13 years to complete the work. On the other hand, the capital cost of a world exposition is only about \$2 billion. May I ask whether an additional the .percent capital cost will have tremendous adverse effects on projects worth about \$200 billion? Moreover, the past experience of other cities which had hosted world fairs tells us that in most cases private organizations would participate in the planning of and investment in such projects. As a result, the impact on public resources would not be too great. In regard to financial viability, most cities made a profit out of holding world expositions. We should also consider the positive effects which Expo 1997 may bring to our infrastructural projects. As a matter of fact, past experience has proved that the assessment and decision made by the Government on the feasibility of certain major projects are not always accurate and appropriate. Let us recall two incidents. The plan of building a cross harbour bridge or tunnel in the Eastern District had once been shelved by the Government due to a number of obstacles. Later, some private organizations studied the plan again and suggested that private firms be allowed to participate in the scheme. Eventually, the Government approved the project. The Eastern Harbour Crossing will now be ready for use in one year's time, bringing some relief to the deteriorating traffic conditions. The Hong Kong Convention and Exhibition Centre, which will soon be open, is another example. It is due to the persistent efforts made by the Honourable Lydia DUNN, Senior Member of the Executive Council, that the centre is eventually built. Miss DUNN once said that any new project would certainly meet resistance from some people who would try to find out a lot of excuses to stifle it. However, as the success of a project depends on human efforts, if one has strong determination, one can surely have his way. On the basis of the above two cases, I hope that the Government will adopt a determined attitude when considering the proposal of staging Expo 1997..

In regard to the other queries directed at the pre-feasibility study report, I have already asked the consultant company to prepare some information to answer them. Sir, I beg you to permit me to append such information to my speech so that my colleagues may study it later.

I am very disappointed at the way the Government handles this matter. Firstly, it is extremely distressing to see that the Government has not been absolutely honest to Legislative Councillors on this issue. It was reported in Ming Pao Daily News on October 18 that the Government had in its possession a consultancy report on the suitability of the Central-Wanchai reclamation as the Expo site and the conclusion of the report was favourable. While the Secretary for Administrative Services and

Information categorically denied the existence of such a report that morning, the Government admitted having such data in the evening of the very same day. Why did the Government assume such a dubious attitude? The Legislative Council ad hoc group concerned has asked the Government to provide more information which the Government has in hand for their reference, but to no avail. What is the reason for withholding such information? Secondly, in the recent propaganda against the proposal, the Government described the project with such sensational expressions as "stimulant" and "excessive stake" to create with intent an impression that hosting the Expo 1997 would not in any way benefit Hong Kong people. Does a competent Government that enjoys general public support have to employ such means to stifle a proposal which the Government itself has acknowledged to be constructive? What difficulties has the Government encountered which cannot be disclosed?

My honourable colleagues, we have taken an oath of allegiance to the people of Hong Kong when we assumed offices. Now it is time we honoured our commitments.

Sing Tao Jih Pao and the Hong Kong Standard have commissioned a market research company to conduct an opinion poll and the findings of the survey released this morning have revealed clearly the wishes of the people. The poll indicated that 75% of those surveyed backed up the idea of staging a world exposition in Hong Kong. What is more noteworthy is that most of the respondents voiced out their opinions after the release of the detailed Government statement. In other words, the Government and the opponents to the proposal should in no way allege that the people made their choices without any knowledge of the pros and cons of the proposal. My honourable colleagues, the Government always reminds us that public views are respected, and when we serve Hong Kong people, we should respect their wishes and work in their interests. Thus I think we could request the Government to register Hong Kong's interest in staging a world exposition in 1997 first before carrying out detailed studies. Otherwise, a golden opportunity for Hong Kong may be missed.

The Government working group has said that withdrawal after registering the intent to host the event would harm Hong Kong's reputation, but let me cite some actual examples to prove that such saying is incorrect. In the past 21 years, four cities had withdrawn after registering their intent :-

They were : (1) Ontario, California, USA (1972)
(2) Barcelona, Spain (1974)
(3) Boston, Mass, USA (1976)

(4) Sydney/Melbourne, Australia (1988).

There were four other cases in which the cities concerned had, after registration, conducted feasibility studies, completed the necessary formalities and obtained approval from BIE for hosting the event but finally gave up for various reasons :-

- (1) Moscow, USSR (1967)
- (2) Philadelphia, USA (1976)
- (3) Paris, France (1989)
- (4) Chicago, USA (1992)

Therefore, no harm will be done if Hong Kong decides not to host the event after registering the intent to do so. The Government should know about this because the so-called consultancy report, completed at a cost of HK\$38,000 by a company commissioned by the Government, has clearly pointed out that more than half of the cities or countries which registered had their bids withdrawn later. I simply cannot understand on what basis Government makes the claim that withdrawal after registration will bring about serious undesirable effects on Hong Kong. In fact, to register or not is a matter of whether we have the will and determination to fulfil our commitment to Hong Kong. I am sure my Legislative Council colleagues will not let down the people of Hong Kong. Lastly, I would like to make an appeal to my colleagues in the Executive Council. When the issue of registration is brought up for discussion in the Executive Council, I hope you will give more thoughts to the welfare of the people of Hong Kong, honour your commitment to Hong Kong and make a wise decision.

Sir, with these remarks, I move the motion.

Question proposed.

PROF. POON: Sir, I would like to congratulate my hon. colleague Mr. Stephen CHEONG and his group for initiating the innovative idea of Hong Kong hosting a world exposition in 1997. Staging an exposition in 1997 will no doubt stimulate international and local confidence in the future of Hong Kong, attract foreign investment and facilitate trade. It is therefore no surprise that the proposal has already aroused much public interest and gained popular support.

The arguments supporting the Expo proposal have been comprehensively presented in the pre-feasibility study and by Mr. Stephen CHEONG, and I will not repeat them here. In supporting the motion before us, I would like to elaborate on possible benefits an Expo in Hong Kong could offer the community in the area of science and technology.

The long history of Expos all over the world has taught us that these events provide useful occasions at which high technology can manifest itself for the purpose of 'the education of the public'. (Article 1(1) of the International Convention on World Expositions refers.) To quote but a few examples, the 1876 Expo in Philadelphia introduced to the international audience Bell's telephone, Edison's telegraph, the sewing machine and the typewriter. The 1931 Chicago Expo told people all about air-conditioning and the 1939 Expo in San Francisco/New York exhibited everything from atomic energy to nylon stockings. It goes to show that expositions can and do provide a catalyst for high technology to manifest itself, often in down-to-earth and familiar forms to enhance human knowledge and understanding. Through co-operation and exchange, Expos can also stimulate developments of high technology concepts and translate them into useful facilities for the entire community. For example, the construction of the bullet train system (so-called shinkansen) for the 1970 Osaka Expo, regarded as advanced technology at the time, has been developed into one of the major and most popular commuting systems in Japan.

Hong Kong is now on the threshold of rapid advancements in the field of science and technology, thanks in part to timely support from the Government. As I have proposed in the past and still maintain, Hong Kong should very soon be in a position to host annual technology exchange fairs and conferences for the exchange of international science and technological ideas. Eventually, Hong Kong should be well placed to become a technology exchange centre in the region. If the Expo 1997 proposal is accepted, it could form a focal point in nine years' time of all the useful ideas in science and technology that the world has been able to develop. Indeed, the prospect of an Expo here in 1997 could even provide impetus for our young scientists to work harder and develop ideas for a common goal. This, in my opinion, could only bring benefits to the entire community.

But the Administration has reservations. These reservations have also been well publicized, and I will not repeat them. What has struck me is that the Administration appears to have assumed that the Expo 1997 proposal could not be financially feasible

on the promise that the Hong Kong Government would shoulder all financial responsibilities. But this need not be so. Experience tells us that where a worthwhile public project exists, the energetic and farsighted private sector in Hong Kong has never failed to answer the call. I therefore urge the Government to consider inviting private sector participation in the Expo 1997 proposal in the form of joint venture or consortium so as to lighten its financial burden. Take the possible Junk Bay site, for example. It is true that infrastructure projects like the MTR and related road systems may have to be advanced if Junk Bay is considered the only possible site for the proposed Expo 1997. But with suitable participation from the private sector defraying the costs of the project to some extent, it could mean faster and even more effective development for the new town. In my opinion, the Expo 1997 proposal warrants much more thorough feasibility study before the Administration brushes it off in the name of 'practical considerations'. Credibility is at stake.

With these remarks, Sir, I support the motion.

MR. ANDREW WONG: Sir, I believe most of us are aware that the motion before this Council today proposed by the Honourable Stephen CHEONG is not in precisely the same terms as he first drafted it. The motion was originally in these terms: that this Council urges the Government to take the necessary steps to register Hong Kong's interest in staging the world exposition in 1997 with the BIE before the deadline of 20 November 1988. But now the motion has been amended to read: that this Council urges the Government to give full and serious consideration to the proposal to register Hong Kong's interest in staging the world exposition in 1997 with the BIE before the deadline of 20 November 1988. In speaking for the motion, I must declare that I am also in favour of the motion as originally drafted. Nevertheless, whether or not the original motion breached Standing Order 23 is open to question. The questionable point lies in the term 'to urge'. 'To urge' does not mean 'to direct'. It merely expresses an opinion without prejudice to the exercise by the Administration of the discretion whether or not to proceed. The terms 'objective' and 'effect' contained in Standing Order 23 should refer to the expressly stated objective and effect of a motion and to whether such should constitute a disposition of or a charge on any part of the revenue or other public moneys of Hong Kong. They do not refer to the 'objective' of the proponent of the motion or to the money-spending 'effect' in the event of the Government deciding to accept good advice and go along. Therefore, for the sake of caution, this motion might well be amended to read: 'that this Council resolves that the Government should register interest in staging

the world exposition', which I believe it should.

Sir, I do not know why Mr. Stephen CHEONG has amended his motion to render it neither fish nor fowl. It might have been due to sense of powerlessness. Indeed on a number of occasions he had openly quoted a Cantonese saying 'to crush a crab with a large piece of boulder' to describe the way the Government handled this matter of whether or not to register Hong Kong's intent in staging a world exposition. He might have felt that he could not budge an inch because of the weight of the boulder that was on him. As this is the season where chrysanthemum are golden and the crabs are fleshy, I would like to give a more accurate and more appropriate interpretation of the saying 'to kill a crab with a large piece of boulder'. The nearest analogy would be 'to kill a chicken with a cattle chopper'. But, to kill a chicken, is it necessary to use a cattle chopper? To eat a crab, one need only to cook it. One should not be using a big piece of boulder to crush it because in so doing one will only be getting the cracked shell but not the flesh! Now the motion before us is whether we should register Hong Kong's intent before the deadline of 20 November; it is not that we are to make a final decision of whether to stage an Expo. It would thus seem that the Government indeed had been heavy-handed.

Sir, last Wednesday, 12 October, in his policy address the Governor made rather oblique hints that hosting an Expo in 1997 might not be feasible. He said that the decision on a new airport would not be taken until the end of next year, and that building this new airport would be the biggest project ever undertaken by Hong Kong, involving tens of billions of dollars. He also said it would take seven to 12 years to build it. He therefore concluded that we should endeavour to expand the present Kai Tak Airport first. But then on the following day, Thursday, 13 October, the Secretary for Economics Services, Mrs. Anson CHAN, announced that the Government was studying whether to allocate \$900 million to improve the present Kai Tak Airport to prolong its serviceable life. Sir, on that same day in the capacity of Chief Secretary you met this Council's ad hoc group on the Expo. You told the group that Government had reservations about staging the Expo. This was followed by a statement by the Government spokesmen that Government had identified enormous difficulties. Apparently, this demonstrates that within the Administration a decision has already been taken to reject the proposition of hosting the Expo. Within two days top ranking Government officials were mobilizing themselves to pour cold water on what once this Administration had welcomed and agreed to be a most attractive proposition. The officials were attempting to address the issue in terms of whether to host an Expo rather than in terms of whether to just register an intent. It was even hinted that

hosting an Expo might jeopardize the progress of our housing programme. Does this sort of rhetorics befit a rational Government?

Sir, if for some undisclosed reason the Government strongly objects to the mere registration of interest, not to mention the actual staging of Expo in 1997, I hope that the Government will tell us of it here in this Chamber. The mere assertion that the Government has thoroughly considered the overall interest of the community is not enough. Even the added argument that withdrawal after registration would tarnish Hong Kong's reputation will not help. Only through registration of intent could we identify other problem areas that needed to be addressed so that Hong Kong can make further progress. Moreover, committing ourselves no more than to the extent of registration, we would be free to give up hosting Expo should we later find it untenable.

Sir, let us not forget that what is being debated today is whether we should register our interest in hosting an Expo. We would still have time to carry out a detailed study on this attractive proposition. To deny registration would mean nipping it in the bud so that it cannot bear fruit by 2000.

Sir, I support the motion.

MR. BARROW: Sir, the idea of an exposition, to play a role in marking the peaceful transfer of sovereignty, is exactly the kind of creativity which we need to stimulate the community in developing plans for the years surrounding 1997. A successful major event in that period would bring us international prestige and should generate a long-term interest in Hong Kong.

The Government has raised a number of practical issues. I must share the disappointment of many members that some of these, particularly related to the suggested sites, were not put forward at an earlier stage. I do, however, accept that many of the points made by Government are valid and I believe that various members of the community were reaching similar conclusions before the Government's announcement.

Now that the pre-feasibility study has been analysed, the financial viability and particularly the ambitious plans for almost 7 million visits from mainland visitors must be questioned. The direct economic benefit could be quite limited, given

the key constraint to Kai Tak which will be at maximum capacity before 1997.

On the issue of resources, I suggest that the Government's concern over diversion of manpower from other projects may only be valid if we are facing the same shortage of labour in the construction industry as we face today. It is of prime importance that this should not be the case and, moreover, that the new airport and related infrastructure should be completed as quickly as possible. That will be the biggest single undertaking in Hong Kong's history. We must not, however, risk any further delays and ensuring that the airport is up and running by the year 2000 is the number one priority.

I believe that we should use this inspiring proposal as a catalyst to stimulate us all into generating alternative ideas for events which could take place both during 1997 and thereafter. I have often been asked in Beijing what steps could be taken to help local and international confidence and we should be developing plans, in conjunction with China where appropriate, to provide a stimulus for that period.

We should organize commemorative activities, involving both the local and international communities. The entire convention and exhibition centre, for example, could be taken over for a major cultural and educational exhibition and related activities could no doubt be held at other locations. The various cultural centres and theatres could also be utilized for special events in 1998, which happens to be the silver jubilee year of the Hong Kong Arts Festival.

Looking further ahead, I see no reason why we should not carry on with the idea of hosting an Expo with the timing to be in, say, the year 2001 or 2002 when the new airport will have been opened. Its success would play a valuable role in firmly establishing local and international confidence in Hong Kong post-1997. It is recommended that this should be raised with China in the near future. A commitment in the early 1990s to hold an event in 2001, when Kai Tak itself would be a possible location, should stimulate Hong Kong through the transition period, ensure ongoing development and get the Special Administration Region off to a good start in the international arena. If the idea of building a major stadium in Hong Kong comes to fruition, an alternative event, which might be considered for the year 2002, would be to host a sporting event such as the Asian Games.

In conclusion, then, let me emphasize that Hong Kong must remain an environment which encourages vision, creativity and imagination. It is through courageous ideas

that we will continue to keep Hong Kong prosperous and stable. The catalyst of this concept is a stimulus to us all and my judgement is that instead of registering for an Expo in 1997 we should be generating alternative ideas for the five year period 1997 to 2001.

With these remarks, Sir, I advise that, in view of the amended motion, I will be abstaining from voting.

MR. CHEUNG (in Cantonese): For the past few years, whenever we talk about the 1997 issue, it seems that we can seldom detach ourselves from such topics as direct and indirect elections, method of selecting the Chief Executive and way to achieve a smooth transition and so on. The proposal of "staging an Expo in Hong Kong in 1997", an idea advocated actively and backed up financially by our colleague the Honourable Stephen CHEONG, becomes the only novel and original idea in recent days that is closely related to the transition in 1997 but in no way connected to the subject of our future system of government.

Personally, I find this proposal innovative and challenging. If carefully planned and co-ordinated, the proposal certainly deserves our support.

Looking back to the last 50 years, we find that world expositions were generally held in famous cities in developed countries. If Hong Kong is able to host an Expo, it will prove that Hong Kong has met all the requirements and could be ranked as one of the leading international cities. The event will go down in the history of exhibitions, and it is surely an honour for the people of Hong Kong. During this period of transition, any proposal that may further consolidate our international status deserves our careful study and efforts.

As we are aware, a world exposition is an event in which different forms of high technology, modern industrial and commercial products, and new discoverers in science and technology all over the world are gathered and displayed. The event will not only benefit the participating countries but also the host country through the exchange of knowledge and experience. Being strategically located at the crossroads of the East and the West with good transportation facilities as well as a modern network of telecommunication in its support, Hong Kong is in a favourable position to take upon itself the important task of bringing together the cultures of East and

West. Moreover, an Expo will no doubt add further impetus to the tourist, hotel and catering industries and there will be further booms in the services, building and construction sectors as well. The hosting of an Expo in Hong Kong will also be symbolic, showing to the world that Asia is on the road to modernization, prosperity and peace at the turn of the century.

World expositions are highly commemorative international events. The first world exposition held in London in 1851 was a large-scale industrial exhibition introducing the achievements of the Industrial Revolution. The Expo held in the United States in 1876 was for the purpose of celebrating the centenary of American Independence. The world-renowned Eiffel Tower was built for the Paris Exposition in 1889 winning world-wide reputation for the city. Expo 1967 in Montreal commemorated the centenary of the founding of Canada and Expo 1970 in Osaka celebrated the centenary of the Meiji Restoration. One may recall that in 1975 when Okinawa was returned to Japan, an Ocean Expo was held to make known to the world the new status of Okinawa. Expo 1997 in Hong Kong will have a great commemorative value. The attention of the whole world will be drawn towards the peaceful transition and the smooth transfer of sovereignty in a highly developed trading and financial centre. It will also tell the world that Hong Kong is heading for a new beginning under the concept of "one country two systems".

I think it is understandable that the Government has reservations about hosting an Expo in 1997. Whether the hosting of an Expo will hold up major capital works projects for the future, whether it will saddle the future, Special Administrative Region Government with an unnecessary financial burden, and whether our airport and transportation network can cope with it and so on., are indeed matters of great concern.

In this respect, I feel that if there is a will there is a way. With determination, we will be able to co-ordinate the preparatory work of the Expo with our future infrastructure projects, and the staging of an Expo will not necessarily hamper our long-term development programmes. We may even have unexpected benefits instead. As regards financial commitments, I believe nobody can be absolutely sure that an Expo can make ends meet. But I am sure it will bring certain economic benefits after all. I am also convinced that political gains in hosting an Expo will outweigh its financial commitments.

Sir, Expo 1997 is not only a challenge to our Government but also an event of

historical significance. I support the motion that we should urge the Government to have our intent of hosting an Expo registered with the BIE before 20 November and that in-depth feasibility studies can be carried out later in the hope that the Pearl of the Orient will glitter even more attractively by staging such an event.

Sir, with these remarks, I support the motion.

MRS. CHOW: Sir, before I begin may I ask leave of the President to declare, not so much an interest, but a fact already well-known, and may be construed as an indirect interest on my part. And that is the study director of the pre-feasibility study by the consultant on Expo 1997 commissioned by Mr. Stephen CHEONG is my husband who took on the job in his professional capacity of Director of Freeman Fox, an established firm of consulting engineers in Hong Kong. I hope that my political role in this Council and his professional role will be respected to be separate, and I declare I had no part to play in the study conducted. However for the avoidance of doubt, I will not linger on the study one way or another.

When the Administration came to the Legislative Council ad hoc group last Thursday to brief us on the statement about to be released, the Chief Secretary said 'It would be easy and popular to say yes to the idea, but all the practical difficulties stand in the way'. The message is clear: 'Don't sacrifice the practical and essential developments of Hong Kong for an impractical white elephant that we at best do not need, and at worst might live to regret.'

What are we up against? By this I mean those colleagues in this Council old and new who have followed and put the idea for the last six months to the Government and to the public and members of the public who have voiced their support, organizations rooted in and responsible to Hong Kong. To suggest that we support the idea because it is easy and popular is to underestimate our sense of responsibility towards Hong Kong. It has never escaped us that a decision to proceed must be taken cautiously, that we must overcome resistance of the Government and the British Government, and that it is a major commitment on the part of Hong Kong. It is not just a concept that appeals superficially. The track record of past Expos was basis enough for us to proceed. Do we suggest that Hong Kong, the miracle worker, the city that established the world's No. 1 container port in 15 years since it was constructed in 1973, is incapable of staging a world event which Montreal, Osaka, Vancouver, Tsikuba and Brisbane successfully managed with long ranging possible effect? To suggest so would

be to turn a blind eye to the proven ability of Hong Kong? Where was Montreal on the world map before 1967? Who had ever heard of Tsikuba before 1986?

No it was never easy, but it is even harder now, not so much because the difficulties listed by the Administration are not real and threatening, but because the voice of officialdom has been heard, heard loud and clear, and often our thinking is shaded not by the rationale and the merits of argument, but by the source of that voice. Whoever supports the idea now needs tremendous courage and commitment, for whatever dissenting voice we make will not be popular with the officials, and very senior officials at that, of the Government.

Let us go back a little in history. In April the idea for an Expo in 1997 for Hong Kong was first floated by my colleague Stephen CHEONG? Immediately following the call, the Governor hailed the move as interesting and encouraging, and promised to look into it in detail. At the end of April the Government formed a working group to study the proposal. On 22 May, the Sunday Times in London reported Sir Geoffrey Howe's support in principle for an Expo to be held from June to October in 1997. In the Legislative Council meeting on 25 May, Government gave an assurance to conduct a feasibility study of the concept by involving relevant multi-discipline professional, administrative and commercial expertise of both the Civil Service and the private sector. We know now that this did not happen. When it became apparent that the Government was only half-hearted in its attempt to study the feasibility of the concept, Stephen CHEONG who was totally committed to the idea, and I believe still is, commissioned his own report. He could have given up then! In spite of noises made, I believe the Administration did absolutely nothing to study the pros and cons of the concept. It did everything possible to establish its case against it and even that it did not do very well.

Look at the list of likely projects it put forward to back its case, as if to say 'Do you want an Expo? If you do, you have to sacrifice all these.' But note the word "likely". In other words no firm decision have yet been made on a number of these projects, although we all know some of them are long long overdue, and for that alone the Administration should be held accountable. But even if all of them have to be built, has a professional study been conducted to see whether a little shifting here and there cannot accommodate a project which is after all a very small proportion of that work? After all, officials have themselves estimated that direct works for Expo amount to \$2 billion which even compared to the public spending of 1988 which stands at \$37 billion is minimal, and is negligible compared to the list of likely

projects estimated to be well over \$200 billion. After all, \$2 billion is only one third of the cost of the Hong Kong Bank building. Why is it not admitted that having a deadline can have its positive effect in stimulating tardy but necessary decisions? Why is it that the Administration did not present to the public the positive impetus Expo would provide to overcome reluctance in other quarters such as the MTRC vis-a-vis the Junk Bay extension should that site be used. Is there anything wrong in expediting the deliberation on the airport so long as the usual thought and caution are applied? Has the Administration posed that question to its consultants?

It is equally difficult to accept the Administration's assessment that the project could not be financially viable, especially in the absence of research data and figures. When I asked an official what is the estimated receipt per visit, he said he had none. Common sense immediately tells one that without that there is absolutely no way one can work out the potential revenue, without which, any talk of financial viability becomes totally meaningless. And to suggest that Hong Kong people cannot afford \$82 per visit and do not have 2.5 days over a six-month period for an Expo right at their doorstep reflects a thinking totally out of touch with our community. In any case, for any one who has visited an Expo there is no way one can physically cover an entire Expo site in less than two or three days. Besides, anyone in the leisure industry in Hong Kong can bear witness to the exceptional spending power of our working population.

But all these arguments are by the way, and sidestep the main issue. The main issue is - What is essential for Hong Kong, from now to 1997. Is Expo essential? Need it displace other essentials? I shall take those questions in reverse.

Given a more ingenious and enthusiastic attitude on the part of the Administration to work it out, none of the essentials need to be replaced to sacrifice. We have nine years to plan, reschedule and proceed. We have tremendous flexibility and pragmatism. To say we cannot do it is, and must be taken as, an excuse.

So is Expo essential for Hong Kong? If we approach it from the negative side, and ask whether Hong Kong can live without an Expo, then the answer must be yes. But if we compare a Hong Kong with or without an Expo, then I would say Hong Kong needs an Expo and needs it in 1997 more than any other point in our history. Sure we need it for the six months of activities. But we need it more for what the nine years of lead-up will do for Hong Kong and our people. Now more than ever, Hong Kong needs a dream, a possible dream, a dream each and every one of us can play a part to realize,

and a dream for all the world to see, and for China to see, and for us to work towards, to live through, and to remember for generations to come. It is for Hong Kong to put an indelible mark of achievement and standard on the world, for years and years on end. What better way to replace the mood of doom and gloom with the positive enterprise of creating, building and more important to committing to the future through a project that has the established recognition of the world? When Britain built the Crystal Palace and France the Eiffel Tower, were these decisions taken in the face of fierce opposition? Did Vancouver and Brisbane not suffer the same fate? When Korea decided to host the Olympic Games, was it financial viability that was uppermost in that nation's mind? Japan hosted two Expos and one Olympic over the last quarter of a century. Were they easy and popular decisions in their times? Whatever the circumstances then, history has proved them the right decision! There is talk that we should find a substitute, a sort of scaled-down version or series of promotional activities. I cannot understand why we should settle for poor imitations when we can have the real thing. There is no substitute for Expo, just as there is no substitute for the Olympic or the World Cup. Such events are each and everyone unique and each stands alone in its place in world history.

At this time in the history of Hong Kong, we need a clear sense of purpose, a vision to commit ourselves to something positive in the future, a concrete focus to which all of Hong Kong can relate, a goal from which we can emerge proud and say we achieved it together for the world to see. For this reason Expo 1997 is essential, socially and politically. Evidently the people of Hong Kong agree. The survey that appeared this morning in Hong Kong Standard shows an overwhelming support in the community of 74% on average, with professionals and traders registering 79%. Apart from our own beliefs, we have a duty to reflect the wishes of the people here today. But to say yes requires tremendous courage and commitment from ourselves, the leadership and those who rule. We must in this debate tell the Administration the real value we see in Expo. It is evident the momentum and the will are not to be found in the Administration. But neither should the Administration be allowed to kill it now. In any case, a project of this stature should be placed in the public domain with official and unofficial participation open and accountable to all. I believe the decision is yet to be taken by the Executive Council, and we have been assured by members that our voices will be heard and heeded. In taking that decision, the Executive Council will no doubt weigh all arguments objectively. But I hope it will also be conscious of the fact that a great idea put forward and with support from private citizens in the interest of the community should be given the respect it deserves whereas they are should not be the exclusive prerogatives of the Civil

Service. The Administration has also assured us it will abide by the decision of the Government, and one would hope that Government has the vision worthy of our people. For the sake of Hong Kong, the millions who will stay behind, and those who want to come back, we must convince the bureaucracy to help rather than hinder the staging of Expo 1997 in Hong Kong.

Sir, I support the motion, and in doing so, urge the Government to take all possible steps to register Hong Kong's interest with the BIE to stage Expo 1997 by 20 November.

4.43 pm

HIS HONOUR THE PRESIDENT: Members might like at this stage to take a short break.

5.03 pm

HIS HONOUR THE PRESIDENT: The Council will now resume.

MR. CHAN (in Cantonese): Sir, I have consulted the members of the Eastern District Board and the Wan Chai District Board through telephone and by questionnaire. Among the respondents, only 5% are absolutely against the idea of hosting Expo 1997 in Hong Kong and 95% are for the idea. However, whether it should be held in 1997 should be subject for further study. And, the ultimate consideration is that it should not affect the overall development of Hong Kong and the citizens' livelihood. Among the 95% of the district board members who are for the idea, more than 70% think that Government should register first and make detailed study later. Over 10% are of the opinion that detailed study should precede registering. The remaining 10% feel that they have to further consider the issue before giving their views.

The day before yesterday, the Wan Chai District Board discussed the Expo 1997 issue. Regarding the worry of the Government, the district board members feel that the risks of hosting the Expo can be shared by the commercial sector, in other words, to let the commercial sector organize it. Indeed, I fully agree with these views. Other district board members feel that too little time has been given for making the decision and it would be better to host the event after 1997. This will enable Hong Kong to have more time to consider the issue without having to register in a hurry.

Sir, I am for hosting the Expo in 1997 because this will focus world attention on Hong Kong. As an external public relations and promotion exercise, the event will score more points than any major capital projects would have done. As far as local people are concerned, most of them cannot afford to visit Expo overseas and if it were brought to Hong Kong, they would be able to witness this event themselves. I do feel that it is very worth our while to stage it.

Moreover, none of us can tell what Hong Kong's economic condition will be like in 1997. Whatever the economic climate then, the hosting of Expo 1997 in Hong Kong will bring about prosperity and boost our economy. It should be beneficial to Hong Kong. If it could be left to the private sector to organize it, the use of public money would be avoided. So, what is there to hold us back?

Sir, I support the motion.

MR. CHUNG (in Cantonese): Sir, with a well-organized programme plan and accurate revenue and cost projections, I believe the proposal would not pose any great economic and financial problems for we should be able to find the necessary backup in the supply of manpower, money and material resources.

Expo 1997 should be looked upon as a worthy investment of the century and not a kind of 'vanity'. Unless there is the occurrence of something unpredictable or beyond our control, the \$3.6 billion investment should, under normal circumstances, at least bring benefits in the following three ways:

Firstly, as far as Hong Kong is concerned, Expo will boost the confidence of the local people as well as international investors in the future development of Hong Kong, thus providing the best environment for fostering stability and prosperity during the run-up to 1997. The overall gain will not only be a break-even point for Expo itself. It would mean many indirect benefits as well, especially in tourism, the property and stocks markets. Many fruitful 'by-products' will be derived from this event, from its preparation to the actual staging of the Expo and the years after.

Secondly, for Britain, the hosting of an Expo indicates that Britain is prepared to stage a spectacular finale in Hong Kong before bowing out..By so doing, Britain will achieve a glorious record in history. Furthermore, as Expo is an event that spans over the actual date of the transfer of sovereignty, the event can serve as a new

milestone in the future development of the friendly co-operation between Britain and China.

Thirdly, in connection with China, the Expo can turn the transfer of sovereignty not only into a joyful event, it will also leave behind many new infrastructure for the long-term development of the Hong Kong Special Administrative Region Government. But most important of all, an Expo staged in Hong Kong will highlight China's image in carrying out reforms, thus helping China to publicize her open door and importation policy in economy in the 1990's.

I believe the majority of Hong Kong people would like to see the staging of Expo in Hong Kong. I hope the Government would not let this golden opportunity come and go.

At present the major problem is since the hosting of Expo 1997 is economically viable except that political support seems to be even more crucial, how can we predict the political situation in the next nine years? How can we be sure that economic viability will not be hampered by political factors that are beyond our control? There have been no answers to these question so far. I fully agree that a world exposition will bring positive effects but we must also consider carefully the negative consequences that will result if some mishaps occur during the Expo held in this sensitive period. However the political problems relating to the staging of a world exposition are by no means insurmountable. In order to put our economic strength and vitality into full play, we must first of all make the following arrangements:

1. As it is proposed that the Expo should span over 1 July 1997, the United Kingdom and the Chinese Governments should work hand in hand for this event. Their close co-operation is crucial to the success of the Expo and will help to remove the political doubts of many. This will help to secure the heavy investment and support of the professionals that are essential in the future development of Hong Kong.

2. The Capital Works Reserve Fund of the Sino-British Land Commission can be deployed to finance the Expo if necessary. Or the project can follow be financed through loans from international banking consortia as in the case of large-scale projects. Of course, we should consider making use of our own financial resources or forming a joint venture between the Government and private sectors before we make any decision in this respect.

3. The Government should provide adequate facilities in carrying out the present infrastructure projects and public works programme as scheduled on one hand, and mobilize all available manpower, financial and material resources to provide facilities such as accommodation, transport and communication services required during the Expo on the other. Such arrangement can help to solve the technical problem of staging the Expo.

As we all know, our intent to host the Expo must be registered with the Bureau Internationale des Expositions (BIE) before 20 November, 1988. It seems a bit late for this Council to hold a debate on this issue now. It makes one feel that we are running out of time and we lack sufficient information.

For instance, we have to address the problem concerning ways to avoid our plans of land formation and development being affected by the staging of an Expo; we have to know on what basis the estimation of attendance rate of 28.22 million visitors for Expo 1997 is made, in particular the estimate of 6.75 million visitors expected from mainland China. We have to resolve the problem of providing the necessary accommodation, transport and health services for this multitude of people flooding into Hong Kong during the short span of six months. All these questions call for further study.

I hope the Government will seize the opportunity to register with the BIE our interest to host an Expo in 1997. It is still better than letting this golden opportunity slip away even though we may back out afterwards due to some other reasons.

Sir, I support the motion moved by the Hon. Stephen CHEONG. The proposal, which is enterprising, innovative and well-intentioned for the benefit of Hong Kong, has taken into account the overall situation of the territory. Nevertheless, if Hong Kong is to host the Expo, correct judgement must be made on the political situation and appropriate co-ordination must be sought. It should not, at the same time, impede other essential social services and the 'seven major capital projects' in the years to come.

In fact, Hong Kong plans to spend \$10 billion on housing programme, another \$10 billion to \$12 billion on environmental protection and anti-pollution measures as well as \$5 billion on road extension programme in the urban area. Furthermore, there are also plans to build a new international airport, expand our ports and container terminals. Such large-scale long term projects should be sufficient to strengthen

the confidence of the local people as well as investors in the future of Hong Kong. In my opinion, no matter whether the grand proposal of staging a world exposition in Hong Kong would become a reality or not, it will at least urge the Administration to pay more attention to its responsibility for the maintenance and promotion of Hong Kong's stability and prosperity.

MR. HO SAI-CHU(in Cantonese): Sir, the proposal to stage a world exposition in Hong Kong in 1997 is an imaginative, ambitious and magnificent idea. It will be a show of confidence and resourcefulness to the whole world at a time of historical change in Hong Kong, and will go a long way in strengthening Hong Kong's status as an international trade and financial centre. The proposal is indeed a positive and meaningful one. I would like to take this opportunity to express my congratulations and appreciation to Mr. Stephen CHEONG, the advocate of the idea., and the other parties concerned.

As this will be a giant-sized project that involves many aspects, any study on the geographical requirements of the venue sites as well as the allocation of manpower and financial resources will have to take into account the preparatory work involved in staging a world exposition in the context of the overall plan for various infrastructure projects put forward by the Government as well as the impact of the world fair on the Special Administrative Region of Hong Kong in future. In view of its significance, the proposal indeed requires careful deliberation by the Government and the parties concerned. The 'Expo 1997 Hong Kong Pre-feasibility Study' merely provides some preliminary information. The fact so the findings of the study have given rise to different divided views which require further examination and discussion.

For any application to host an Expo in 1997, the submission of intent must reach the Bureau Internationale des Expositions (BIE) before 20 November 1988. As time is now running short, a detailed study is not likely to be completed before the deadline. However Hong Kong would be denied an opportunity of staging an Expo if we fail to have the intent registered on time. If we manage to have our interest registered, there is still ample time for a full feasibility study to arrive at overall assessment of the proposal. It would certainly be laudable if Hong Kong finally commits itself to the hosting of an Expo. Yet should we withdraw later, it will still be a worthy cause to let our constraints made known to the public that it is something beyond on limit. Some may worry that Hong Kong may suffer if we withdraw after

registering our intent. I submit that the Government should be prudent in its attitude towards imaginative and positive proposals by listening to the views of the Hong Kong people extensively before making a final decision. The decision itself, be it for or against the proposal, is not as vital as the lesson we may learn from promoting the spirit of consultation. This will have positive effects in bringing about greater concern for the prosperity and stability of Hong Kong, which will be of profound and far-reaching significance to the territory. I therefore pledge my support to the submission of intent to BIE before the deadline.

Sir, with these remarks, I support the motion.

MR. MARTIN LEE: Sir, when the idea of hosting an Expo in 1997 was first mooted in April this year, my first reaction to it was a rather negative one, because I saw many problems which had to be addressed: airport facilities, hotel rooms, but most of all, whether it would be financially viable.

My stance on this matter has not changed, because I still consider financial viability as the principal factor. If the project is going to be financially viable, then I feel that the advantages in hosting it far outweigh the disadvantages. But if it is not going to be financially viable, so that we would be losing money, and possibly, heavily, then we should not host it. For in the latter event, it would be tantamount to a newly-wedded couple throwing a large dinner banquet on their wedding night but having to borrow heavily in order to foot the bill. They would then be starting their new life with the wrong foot. Similarly, if we were to host an Expo in 1997, but would lose money, and possibly, a lot of money, then we would also be starting with the wrong foot.

The Honourable Stephen CHEONG has commissioned a pre-feasibility study on the idea of hosting an Expo in 1997. I must emphasize that this is not a feasibility study, which unfortunately will take much more time and money to prepare.

Having studied it, and having had the advantage of an oral briefing by the consultants concerned, I still think that a number of issues have to be further explored. For example, I was told quite frankly that the estimate of 3 million visitors from the mainland of the People's Republic of China coming to the Expo during the six-month period is a figure arrived at by working backwards, in the sense that if the figure were to fall below that, then we would lose money on it.

Sir, the Administration gave us a briefing on this pre-feasibility study on 13 October this year; and they raised a number of important questions. It was indeed a very negative briefing, and appeared to be directed at the pre-feasibility study. But it suffers from the same weaknesses as the pre-feasibility study which it sought to criticize, namely, it is not backed up by any scientific data. The question is: Why did the Administration not commission a proper feasibility study during all these months? But soon after the Honourable Stephen CHEONG's publication of the pre-feasibility study, the Administration immediately burnt their midnight oil and came up with an extremely negative answer. Sir, for something as imaginative as this, if one chooses to be negative about it, one can come up with all sorts of excuses. But is it the right way to deal with a proposal of this kind?

Sir, I do not criticize the Administration at all for bringing up these problems as a result of the pre-feasibility study. Indeed the idea of hosting an Expo in Hong Kong in 1997 is a serious matter which demands a lot of careful study. But just as it will be wrong to say 'yes' today to the proposal of hosting an Expo in 1997 when so little information has been made available to us; likewise it will equally be wrong to say 'no' to this proposal today. The simple fact, Sir, is that today we are not in a position to judge one way or the other without a proper feasibility study.

Indeed, according to an article published today in the South China Morning Post, at page 33, one of my honourable colleagues has expressed a very negative opinion on the idea of hosting an Expo in 1997. She was reported to have said that in coming to the conclusion she regretted that she was 'acting on superficial data and on instinct'; acknowledging also that in that response, she was 'as liable to criticism as the supporters of the project' But with respect to her, we should not be forced into a position of having to say 'yes' or 'no' to this proposal today. We should only be called upon to do so after the requisite data are before us. And that is the crux of the matter today.

Sir, I agree with the observations of the Honourable Andrew WONG as to the wording of the original drafted motion and clause 23 of Standing Order, although I do not necessarily share his view on the Shanghai crab, or the boulder. As I see it, the real question for Members to consider is whether the British Government should register Hong Kong's interest in staging the world exposition in 1997 with the BIE before the deadline of 20 November 1988.

Sir, many people in Hong Kong have some reservations about such an imaginative idea, and they may attach more weight to a particular problem than others. But the difficulty is that nobody in Hong Kong is well-informed enough to make an intelligent decision one way or the other.

Unfortunately for us, the deadline for registering an intention to host an Expo in 1997 falls on 20 November 1988, which is exactly one month away. So in practical terms, there are two alternatives open to the Hong Kong Government as well as the British Government:

(i) To register the intention before the deadline and immediately commission at least one feasibility study before finally deciding whether to host it or not to host it in 1997; or

(ii) Not to register such intention at all.

The great disadvantage of adopting the second alternative is that we are effectively deciding not to host the Expo in 1997 even though we have not carried out a thorough study of any of the problems recently brought out into the open by the Administration.

We are told by the Administration that there is a certain downside to registering the intention now but having to withdraw it later. But for reasons given by the Honourable Stephen CHEONG and the Honourable Andrew WONG I am not satisfied that the image of Hong Kong would suffer unduly even if we were to withdraw our intention after coming to a decision (if it be the case) of not staging it in the light of the feasibility study.

Sir, in the light of the above, I really cannot understand the real reason behind the very negative response on the part of the Administration. Could it be that the British Government and the Hong Kong Government are reluctant to give their support and commitment to the future Hong Kong Special Administrative Region? Could it be that they do not believe that Hong Kong will have a bright future? Could it be that they think that the policy of 'one country, two systems' is not going to work well for Hong Kong? Could it be that they believe that there is a distinct possibility that even in 1997, things will be so bad in Hong Kong that they do not wish 'the eyes of the world' to be upon us? Two days after the formal signing of the Joint Declaration in Beijing, Mrs. Thatcher gave a press conference here in Hong Kong on

21 December 1984 in which she said that the Joint Declaration 'is an agreement which I believe that the Chinese Government will honour, and it has been signed in the eyes of the world and it is a good agreement. I believe that it will be honoured to the full.' Could it be that Mrs. Thatcher herself is no longer sure?

Sir, I ask these questions because it is inconceivable that such an imaginative idea which has the support of the majority of the people of Hong Kong, as indicated in the poll commissioned by the Hong Kong Standard and published today, should be so peremptorily, and yet summarily, dismissed without any scientific data to justify it.

Sir, to say 'no' to this idea today is in the circumstances irresponsible; because the reasons so far given are clearly inconclusive. If the British Government were to decide not to register the intention to host Expo in 1997 in Hong Kong, it would most certainly leave a lurking doubt in the minds of all of us years from now as to what would have happened if the decision had gone the other way?

For these reasons, therefore, I strongly urge the Hong Kong Government to request the British Government to register her intention of hosting the Expo here in Hong Kong in 1997.

But if, for whatever reason, or lack of it, the Hong Kong Government and the British Government would not register such intention to host Expo in 1997, then it is still not the end of the matter. For the deadline of 20 November 1988 is not a deadline only for the hosting of an Exposition in 1997, but it is also the deadline for 1998, 1999, 2000 or 2001, a point which seems to have escaped the attention of the Honourable Martin BARROW.

Sir, I have expressed the view before that hosting an Exposition in 2000 or even 2001 could in some ways be more advantageous than hosting it in 1997. But today's motion relates to the registration of intention of staging an exposition in 1997 and I do not disagree at all to the powerful reasons given by the Honourable CHEUNG Yan-lung and the Honourable Mrs. Selina CHOW for hosting it in 1997 and not any other year. Indeed, I have already given my support to it. And I am therefore putting forward my case for hosting it in the year 2000 or 2001 only as an alternative.

As I see it, there may be the following additional advantages in hosting it in the year 2000 or 2001:

First, the eyes of the world will be on us for a few more years after 1997 so that there is even more incentive for the Government of the People's Republic of China to make sure that the policy of 'one country, two systems' will be seen by the world to be working effectively here in Hong Kong at least during the first few years after 1997.

Secondly, the new airport ought to be in full operation by then, and will thus be able to bring to Hong Kong many more overseas visitors. It will therefore mean less disruption to overseas businessmen in coming to Hong Kong to do business. And with more overseas visitors, it will make the project financially much more viable so that we do not have to rely on the figure of three million visitors from the Mainland of the People's Republic of China.

Thirdly, it will give us more time to prepare for it.

Fourthly, it will make it easier for the project to fit into our numerous other programmes.

Fifthly, it will enable more hotels to be built.

Finally, even in relation to the provision of transport, site development and supply of labour, a few more years could only alleviate the problems and not aggravate them.

Sir, for these reasons, I urge the Administration not to dismiss the idea of hosting an Expo in 1997 out of hand (if it be the case) without also looking at the possibility of hosting it in the year 2000 or 2001.

In the premises, Sir, I support the motion.

MR. NGAI (in Cantonese): Sir, Hong Kong has developed into a large cosmopolitan city. Our economic and social developments are as remarkable as those of the large cities of many advanced countries. Therefore, in my opinion, if we now embark on planning to host a world exposition with a view to further enhancing Hong Kong's prestige and status and to promoting international trade and interflow of culture among other nations, this meaningful undertaking will be a big event in the world. Our colleague

the Honourable Stephen CHEONG took the initiative in appointing a consultant firm to carry out a pre-feasibility study and publicized its findings for the information of the public and for comment. His enthusiasm in taking such action in the interest of Hong Kong is laudable.

In view of our limited resources, it would be quite an effort if Hong Kong is to hold a large-scale international event. We would have to overcome many difficulties such as to meet substantial capital expenditures, to cater to the needs of large number of visitors, to provide additional transport facilities, accommodation and so on.

Regarding the decision to hold the Expo or not, the point at issue is whether the problems arising from the feasibility study are surmountable and properly handled. There are significant discrepancies between Government's findings and those disclosed by the consultant firm in their pre-feasibility study. As pointed out by the Government, the total cost of the Expo project, including land formation, infrastructure, construction of related supporting facilities amounts to \$7 billion. But according to the breakdown of expenditures for construction items prepared by the consultant firm the amount of expenses is in the region between \$1.9 and \$2.2 billion, whereas the operation cost is \$1.1 to \$1.4 billion, totaling \$3 billion odd. As to the pre-commencement cash flow only \$1.9 billion would be required. Thus there is a difference in the order of twice as much between the amount mentioned by the Government and that quoted by the consultant firm. Of course, these figures quoted by the Government and the consultants need further examination and verification. Undoubtedly calculations based on different data and different computation methods will give different results, which might be the reason for the variation in the cost of the Expo project gusted by the two parties concerned. Likewise, the balance of revenue and cost should also be carefully analysed. In the event of possible deficit, we should know the magnitude of the deficit to see if it would be within our economic means to bear the losses. I agree that it is undesirable to saddle the future Special Administration Region Government with a large sum of debts .But we need to assess the pros and cons of the project. If in return we have much to gain, we should go ahead with the project even though we have to host the Expo at high cost. We should weigh the long-term impact and the advantages of the project against its disadvantages.

Sir, with the recent extensive coverage of the Expo by the mass media, the idea of holding the Expo has caught on. Whether we favour the idea or not, the Expo topic has become talk of the town. Some people further feel that the international prestige

we get from hosting the Expo is unmeasurable. If we could mobilize the necessary resources available in Hong Kong to successfully holding the Expo, the successful event would not only be a manifestation of Hong Kong people's expertise and organization flair in the eyes of the world, but would also reflect the advanced social and economic structure of Hong Kong. Such a success will be conducive to Hong Kong's future economic co-operation and culture interflow on international front. If the Expo was successfully organized, it would give Hong Kong people a sense of pride and achievement, which in turn would enhance their sense of belonging to Hong Kong and future confidence. From long-term point of view, the merits of hosting the Expo outweigh the demerits.

Sir, to maintain in real terms the unique position enjoyed by Hong Kong in the world, I think we have to maintain and consolidate its international status and make it a recognized international city. This will give much impetus to our future, especially our socio-economical development after 1997. Staging an Exposition is the most effective and direct means to achieve this aim.

I hope the Government should consider this issue from different angles before coming to a decision whether or not to proceed with the registration of intention. It is said that to hold the Expo will adversely affect allocation of resources or will put other major public works programmes behind schedule. To use only this excuse as the major argument against registration of intent is hardly convincing. If it is not in Hong Kong's interest to host the event, the authorities should furnish, valid analytical argument and comprehensive scientific assessment to substantiate their claims, confirming that it is not in the interest of the public to host an Exposition as it will do more harm than good and is therefore undesirable to proceed with the registration of intent. Only so can we bring the Expo proposal to a natural close; otherwise it is only regarded as an arbitrary or abortive close-down in an immature stage.

Sir, on the basis of the above, I am in favour of having our intent of hosting the Expo registered in the first instance before we go on with any feasibility assessment. I do not think it will do harm to the image or dignity of Hong Kong even if we decide not to host the event and withdraw our registration later on. In our case registration would be an expedient measure. As time is running out, it is not improper for us to register in the first instance. Besides, it is not without precedent in Expo history that even reputable countries did withdraw after registration.

Sir, with these remarks, I support the motion.

MR. POON CHI-FAI (in Cantonese): Sir, As 1997 is drawing near, Hong Kong will encounter an increasing number of problems which have to be tackled. During this transitional period, Hong Kong people must devote their concerted effort to striving for a steady transition as well as long-term prosperity and stability. The Government should take the lead in adopting positive and effective measures which will help strengthen the confidence of both the local and the foreign communities in the future of Hong Kong and attract more investment from home and abroad.

The proposal to stage a world exposition in Hong Kong in 1997 is a very enterprising idea. It does not only denote the confidence of certain private investors in Hong Kong but will also raise Hong Kong's status in the international scene. Furthermore, morale of the local people will be heightened and in the end it will bring along prosperity. Although part of the data provided by the consultant's pre-feasibility study are still subject to scrutiny and confirmation through detailed analysis, I do not think this sole reason will be justified as an excuse to turn down the idea of hosting an exposition in 1997 totally.

As far as Expo 1997 is concerned, we have two options before us. The first option is to dismiss the proposal and not to register officially with the Bureau Internationale des Expositions (BIE) before 20 November. The second option is to register Hong Kong's interest in staging the Expo 1997 before 20 November and immediately carry out an in-depth study on its viability, merits and demerits before any final decision on the matter is made. Between these two options, I am in support of the latter. The reason is that up to the present moment, there have not been adequate data to show that Expo 1997 in Hong Kong will definitely turn out to be a failure. If we do not submit the registration before the deadline of 20 November, we will not be able to do it even its feasibility is confirmed at a later date. Under such circumstances, if the Government decides against the hosting of an Expo in 1997 at this stage, it will only lead to more suspicion. People will doubt the confidence of the Government in its attitude towards Hong Kong, or worry if any local benefits have been sacrificed by the Government for certain reasons untold.

Some people worry that Hong Kong's reputation will suffer and suspicion will arise if we withdraw afterwards. However, I do not concur with such view. As a matter of fact, registration only demonstrates Hong Kong's intention that it has the interest

to host the Expo in 1997. Furthermore, to have our interest registered does not necessarily mean that Hong Kong will obtain the permission to stage such a world fair. Hong Kong has to compete with other countries. An approval will only be given to Hong Kong after the BIE has conducted investigations and is satisfied that Hong Kong has met the necessary requirements. Even if the findings of the in-depth study which is to be conducted enthusiastically, quickly and thoroughly after the registration show that there are constraints in staging a world exposition in Hong Kong or Hong Kong is not suitable to hold such kind of world fair, the eventual notification to the BIE only indicates that Hong Kong people are pragmatic, prudent and responsible as we have demonstrated that we would not act beyond our limits.

Sir, I have learned from the press recently that the Government did commission a consultant firm to carry out a study on the viability of holding the Expo in Hong Kong and the findings have already been available. Disregarding the reliability of the above report in the press, clarification from the Government is necessary to remove misunderstanding about the issue. If the report is true, the Government should give an explanation for having failed to inform the Members of this Council and the public of the findings for their reference. Sir, before I sum up, I would like to tell that I have come across divided views and opinions on the staging of the Expo. The number of proponents and opponents are more or less the same, yet I must say that more are in favour of the project. I therefore believe that the Government should take it into careful consideration before any decision is made.

Sir, with these remarks, I support the motion.

MR. TAM (in Cantonese): Sir, the proposal of staging a world exposition in 1997, the year which is of historic significance in the development of Hong Kong, is undoubtedly very imaginative. The sincerity, drive and initiative of the proponent and the people involved deserve our appreciation and recognition.

All along I give my whole-hearted support to people from various sectors who propose forward-looking ideas for promoting the development of Hong Kong, particularly on matters relating to social development during the transitional period. Of course, whether these ideas can be put into practice and how they can actually work would require careful consideration and thorough examination.

Hosting a world exposition in Hong Kong in 1997 is a grandiose project which has

far-reaching implications. It is only natural that the Government should give full and careful consideration to the feasibility and practicability of the project before arriving at any decision. But at the same time, we should not just consider the feasibility of the project, but also examine the project in the context of the overall development of Hong Kong and identify its implications in their right perspectives in order to assess its probable effects on our society. As there have been a lot of opinions expressed on the feasibility of hosting an Expo, I do not intend to add my voice to the discussion in this respect today. Instead, I would like to give my view mainly on the impact of this project upon our society as a whole.

As to the overall impact of the project on the community, some people as well as the Government are worried, once given the green light, strains on the distribution of resources will be far and wide, thus affecting the course of our social development. I hold that such worries are justified. As a matter of fact, an Expo is a colossal project which would catch the attention of the world. It requires considerable manpower, money and material resources to make it a success. Will it affect our long-term development programmes? Even if the project is taken up by the private sector and the Government need not participate directly, the Government still have to provide the necessary support in site formation, land usage, road works, and so on. Will such support lead to inequitable and imbalanced planning? Besides, some have suggested that the project will become our social development target and help converge the efforts and energy of various sectors during the transitional period. However, will the project lead to certain adverse effects that we may overlook some important and fundamental issues that have a bearing on the continued and healthy development of our future?

Sir, whether we are in favour of or against an Expo in Hong Kong in 1997, we do so out of our concern for the prosperity, stability and progress of our society. Our views differ only because we are looking at our overall social development strategy from different angles in making analysis. Personally, while I am concerned with the feasibility of this Expo concept and its impact on the entire community, I am even more concerned about whether the development of our infrastructure can cope with our long-term economic development (for instance, an early start on the replacement airport project), whether the quality of life of our people can be improved and upgraded, and whether the wealth of our society are reasonably re-distributed to set the minds of the public at ease (for instance, early establishment of a comprehensive retirement system).

Sir, since the project carries far-reaching implications on the socio-economic development of Hong Kong, the authorities concerned should conduct a careful and comprehensive study of the issue before the registration deadline on 20 November 1988. Apart from a technical feasibility study, the authorities concerned should take a closer look at the implications of the project on our overall social development. Any decision relating to the registration of our intent to stage an Expo in 1997 should be based on the findings of such studies, and whatever the decision may be, the Government should explain to the public in detail the findings of these studies.

Sir, with these remarks, I support the motion.

MR. LAU WONG-FAT (in Cantonese) : Sir, I consider the proposal to hold a world exposition in Hong Kong in 1997 a magnificent and innovative idea. The staging of such a major international event during the time of the transfer of Hong Kong's sovereignty will, apart from benefiting our economy and enhancing Hong Kong's international prestige, boost the morale of the community and strengthen local confidence in the future of Hong Kong.

In addition, the hosting of an Expo in 1997 will serve to demonstrate to the world the sincerity and determination of the Chinese and British Governments to continue their efforts in maintaining stability and prosperity in Hong Kong. The hosting of an Expo in Hong Kong in 1997 would require full co-operation between the Chinese and British Governments. If both Governments undertake to fulfil this joint commitment during the time of the transfer of Hong Kong's sovereignty, it will have a significant and positive meaning.

Of course, while endorsing this general goal, we must not fail to see the many practical problems that may lie in the way of an undertaking of such magnitude. Consideration should be given to a number of factors including overall economy, funding, transport capacity, deployment of service facilities and availability of suitable sites. According to the pre-feasibility report compiled by the consultants, these problems are not insurmountable and the proposal of Hong Kong holding an Expo in 1997 is feasible.

On the other hand, some are of the view that the report has failed to provide adequate information on certain key problems. They also raise doubts about such problems as land supply, airport capacity and the possible outcome of an overheated

economy. The Hong Kong Government also have strong reservations on the proposal of holding an Expo in 1997, thinking that such a major event would inevitably cause disruption to the planned schedule of many major infrastructure projects. If the hosting of an Expo would really have such a serious effect on our community, I believe that the majority of the Hong Kong people will be loath to give their support after weighing the pros and cons.

There is no doubt that full consideration has to be given to all aspects before a proper decision on the question of hosting an exposition can be reached. So far, the arguments for or against the proposals expressed by various sectors are merely based on preliminary findings and data. Further research and more in-depth analysis will be necessary if we hope to arrive at an unbiased and appropriate conclusion. A task of such complex nature will certainly take some time to complete. Even if the relevant study is now in hand, it will be quite impossible to expect any conclusions in one or two months' time.

The twentieth of November is the deadline for registering the intent of staging an Expo with the Bureau Internationale des Expositions (BIE). It would be most regrettable if we dismiss the idea before any in-depth study and miss the golden chance of registering our intent. Thus, I am in favour of registering our intent with the BIE first, leaving the work of a full feasibility study to be carried out afterwards. Hong Kong can still withdraw its application should the final conclusion of the study be an unfavorable one. Be that as it may, Hong Kong's reputation will not be at stake for a withdrawal made after careful consideration will only demonstrate our responsible attitude towards the Expo issue.

Sir, with these remarks, I support the motion.

MR. EDWARD HO: Sir, a world exposition is a great event. It is a gathering of nations, peoples and cultures. Great monuments of architecture and engineering, great inventions and ideas were unveiled to the public in world expositions. It is not, as one senior government official was reported to have said, 'a carnival type of exhibition'!

A world exposition is a celebration, a celebration of enterprising spirits, of brave endeavours, of historical and national events.

A world exposition signifies a strong commitment of a community to work together, for it is an event that would require dedicated efforts of the whole community, government and private.

The idea generated by the Honourable Stephen CHEONG and his colleagues of holding a world exposition from May to October 1997, spanning the historical transfer of sovereignty for Hong Kong, is extraordinarily imaginative: an idea of the kind that is rare to come by.

Over the past few years, our community has been beset with uncertainty of the future. Increasingly also, it has found itself divided and polarised over issues in political developments, education, social and labour and other concerns.

But the call for an exposition sounded a harmonious chord among the citizens of Hong Kong. The idea has gained strong universal support from all sectors of our community: from the man in the street, the district board members, the business and industrial sectors, the tourist and service industries, to many Members of this Council. Admittedly, this support has been dampened somewhat by recent pronouncements from senior government officials.

A pre-feasibility study commissioned by the Honourable Stephen CHEONG has just been completed. The pre-feasibility study, completed in a short span of three months, is not meant to be an in-depth study of the many physical and financial factors that are associated with the hosting of an exposition. Though of necessity it is based on a number of assumptions that may be open to challenge, these assumptions have been established by an international team of experts who have widespread experiences and knowledge in the organization of world expositions and the logistics of large scale infrastructural development projects. The pre-feasibility study therefore has served a very useful purpose: it has supplied us with some very thought-provoking ideas and informative data so that we can now have a much better understanding of the general nature and magnitude of the possibilities and implications of hosting an exposition in Hong Kong. Its conclusions, however rough, indicated that there are no insurmountable obstacles that would prevent us from organizing an exposition in 1997.

But why 1997? Why not 2001 or 2005 as suggested by the Honourable Martin LEE and the Honourable Martin BARROW? The reason is simply that the year 1997 has become an obsession, one might even say fatal obsession, of the people of Hong Kong. The Expo

idea has imaginatively turned this obsession into a positive asset for Hong Kong. In addition, the significance is not only that the event would occur during the time of the transfer of sovereignty. Perhaps, more so, the significance lies in the fact that all the organization work would happen in the years leading up to 1997. During this period, Hong Kong people will cast aside their differences, doubts and uncertainties and work together for a common goal. Psychologically, just the anticipation for such a great event is sure to stimulate our confidence in the future and morally sustain us through these troubling years.

Understandably, the Administration is extremely prudent about a major undertaking of this kind so as not to prejudice the development of other major infrastructural developments that are being planned.

Unfortunately, it seems that this admirably prudent attitude has degenerated into a wholly negative one. In the past week, we have seen senior government officials pronouncing some very negative opinions in various forms. A strong message has been projected to members of the public that if an exposition were to be organized in Hong Kong, it would certainly mean that some, if not all, of the future major infrastructural projects planned in Hong Kong would be withered, delayed or shelved. This is certainly not what the Hong Kong people want.

On the other hand, many questions beg to be asked:

1. Is Government aware and convinced of the tangible and intangible benefits of hosting an exposition in Hong Kong in 1997, especially in relation to the generation of confidence in the years leading up to the transfer of sovereignty?
2. Is Government aware of the overwhelming support from the community towards at least a serious and detailed exploration of such an idea?

And that, if the answers to the foregoing questions are positive,

3. To what extent and depth has Government studied the feasibility of hosting the exposition and, how certain it is that it would have an impact on other infrastructural developments? What expert advice has it obtained in arriving at its opinion, and
4. To what extent has Government considered the utilization of private resources in organizing such an event?

Hong Kong takes pride in the enterprising and entrepreneurial spirits of its business community. I suggest that consideration should be given that the exposition would be organized by a corporation funded and managed by mainly private business resources.

Sir, if I may quote from the concluding paragraph of the Governor's policy speech last week: 'The longer I am here the more I am convinced that we have the ability, and the will, to do all these things.'

It has been strongly demonstrated that the people of Hong Kong has the will to host a world exposition in Hong Kong. Judging from our past successful record, I do not doubt that we have the ability.

Sir, today we are not debating the possibility of hosting an exposition, but our community demands that satisfactory answers are given to the foregoing questions.

I therefore strongly support the motion that his Council urges the Government to give full and serious consideration to the proposal to register Hong Kong's interest in staging the World Exposition in 1997 with the BIE before the deadline of 20 November 1988.

6.00 pm

HIS HONOUR THE PRESIDENT: It is now six o'clock, and under Standing Order 8(2) this Council should now adjourn.

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

Question proposed, put and agreed to.

MR. ARCULLI: Sir, I have listened to my honourable colleagues who have spoken on this matter with enthusiasm and persuasion.

At the end it seems to me that one has to balance the priorities and needs of Hong Kong. When asked initially I have voiced qualified support for the holding of a World Expo in Hong Kong in 1997. I believe that today I am better informed about the pros and cons of Hong Kong hosting such an event. I realize that it is probably premature to pronounce on the financial viability of World Expo 1997 in Hong Kong but I feel that the issue before us is not simply whether it is financially viable or not. The issue is whether Hong Kong can afford to host such an event and when I say afford I do not mean purely in dollar terms. On the facts and reasons given by, among others, the Administration, I regret to say that I have come to the view that Hong Kong cannot afford to host such an event in view of Hong Kong's needs. Having come to this view I believe that it is right that the issue should not take up any further time of the Administration and for this reason I shall vote against the motion.

However I do not wish to leave this matter without voicing some disappointment. To put it at its lowest there seemed to have been a lack of communication between the Administration and those who put forward the idea. The Administration ought to have made it plain that the hosting of the World Expo 1997 in Hong Kong would necessarily mean the cancellation or deferral of major projects which are essential to Hong Kong and its people. I sincerely hope that in future the Administration try its utmost to avoid a repetition of this type of time consuming exercise.

With these remarks, I am not in favour of the motion.

MR. PAUL CHENG: Sir, since so many of us are speaking, I would first like to make the following brief comments in support of the motion. I will focus on whether or not we should register Hong Kong's interest with the BIE. The concept is certainly imaginative. The pre-feasibility study conclusions are generally positive.

The event will also provide the essential symbolic link to Hong Kong's future. as such we should not so readily dismiss it out of hand.

A full-scale study is obviously needed before the final commitment is made. Assuming its viability be confirmed, Expo 1997 will not only provide the perfect platform to propel Hong Kong into the next century as the undisputed international business centre in the Pacific Basin, but it will also bring the world's focus on Hong Kong's status as a Special Administrative Region. This will go a long way to help maintain confidence not only among the people of Hong Kong but also the

international business community. A factor critical in Hong Kong's ability to continue to attract foreign investment.

I do not believe there will be any difficulty in attracting the necessary funding from both the local and the international financial communities to support this project. There will be no need to divert funds from other equally important infrastructure projects.

Hong Kong's co-operation and support will need to be sought to ensure adequate resources, including manpower, are available. China should recognize the importance of such an event in terms of helping to maintain the continued prosperity of Hong Kong beyond 1997 as a Special Administrative Region. The long-term potential economic and commercial benefits are obvious.

Should the full-scale study fail to support the viability then proper communication will need to be made both locally and to the international community on our withdrawal to prevent any unnecessary backlash and loss of confidence. But this is only a matter of ensuring that a communications programme be professionally organized.

Every consideration has its pros and cons. On balance, I believe Hong Kong should proceed to register with the BIE before the 20 November; and it should mount a full-scale study, should seek China's support, and, if the overall viability can be confirmed, a full commitment can only benefit Hong Kong as it moves into the next century. My views, I should add before closing, are shared by many of my friends in the international business community in Hong Kong.

MR. DAVID CHEUNG: Sir, I support the motion in very simple words. I appeal to the Government to register our intention with the BIE before the deadline next month. To register does not mean that we have to do it. We are not even sure that we will get the 'go ahead' from the BIE. But to register will mean giving the Hong Kong people and the Government the opportunity to explore seriously the feasibility and the practicability of the scheme in light of the overall perspective Hong Kong will have to face in the next decade. Feasible or infeasible, practicable or impracticable, I believe that the Hong Kong people will be able to judge and decide wisely and discreetly. Not to register will mean not even giving the enterprising people of Hong Kong such an opportunity. May I appeal to the Government in all sincerity that

should the motion carry today the Government would not decide otherwise. Once again I declare support for the motion.

MR. CHOW (in Cantonese): Sir, I choose to be a speaker at the last moment because recently a press report disclosed that Government had conducted a feasibility study on hosting an exposition but without publicizing the relevant results. The report dwelt on whether Hong Kong has an open Government, and more so, questioned the credibility of the Government. These comments have made me uneasy. To overturn them, I believe the following measures should be taken to re-establish our faith in the Government. If withdrawal indeed does no serious harm to a country, Government can consider registering first before conducting a detailed feasibility study to determine the pros and cons of staging an Expo. If an open analysis affirms the feasibility of the project, the staging of an Expo will be like a shot in the arm of the Government and speed up its infrastructural works.

Finally, I support the motion of first registering our intention to host the Expo.

MRS. FONG: Sir, To host Expo in Hong Kong in 1997 is an emotional issue. The emotion of causing the world to focus even more closely on Hong Kong in 1997.

The idea is very attractive and should not be dismissed lightly. However, we certainly do not need a dream or a fatal obsession. We have to have our feet on the ground and be practical and realistic. We must ask ourselves: 'Is it viable?' 'What would it cost?' and 'Is it worth it?'

On a strict dollar for dollar basis, Expos do not normally get close to break-even. I have seen nothing which causes me to believe that Hong Kong will be different. I have serious reservations about the estimated numbers of visitors and of Expo visits that have been projected in the pre-feasibility study. In my view, countries which claimed to have been profitable in hosting Expos have given values to certain of the facilities and infrastructure that were left behind. In Hong Kong's case, there is unlikely to be a significant similar residual value as we are so short of land and will need to convert the site to an alternative use shortly after the event. Nevertheless, some people might say, '\$3 billion is not an insurmountable amount if we wish to host Expo.' I accept that and believe that if we do host Expo, we should be prepared to absorb the financial loss that comes with it and, for this reason should

be realistic when we make the estimates.

I am, however, concerned about more than just the cost. We must not consider only the financial resources that are necessary. The pre-feasibility study did not take into account the resources necessary to build the infrastructure to adequately support Expo. This would in all likelihood include additional roads and flyovers, extensions to the Mass Transit Railway, connections for utilities and so on to permit access to and use of the Expo site. For this, money is only one of the needs. We also need labour and materials and there would be inconvenience to the general population as the work progresses.

In view of the major developments planned for the years between now and 1997, namely the new airport, new port facilities, trunk roads, tunnels, housing schemes and so on, I am concerned about the effect on these, which in my view are even more important than undertaking such a massive additional task which has a mere passing benefit. We should not underestimate our skills and our potential but there is a famous Cantonese saying which cautions us as follows: "If you do not have a big head, do not attempt to wear a big hat".

My last concern, and probably my most important one, relates to my understanding that the saturation of Kai Tak Airport will come some years before 1997 and that Hong Kong cannot complete a second airport in time for 1997. Hence, Expo 1997 visitors would add an additional burden to our increasingly strained system of air transportation. Saturation means no additional airplanes could arrive or depart from Hong Kong other than those scheduled when that point is reached. Hence, the added visitors who came to Expo would be at the expense of those who would otherwise be travelling for business or other purposes. Businessmen cannot normally plan their flights six months ahead. Accordingly, they would be the first to suffer when the flights were full. The impact of this on Hong Kong's economy could be serious if our exporters have trouble getting on planes to leave or to return to Hong Kong during the period of the Expo. I believe this should be a real cause of concern to all of us.

In concluding, I believe that if Hong Kong wishes to host Expo in 1997, we have the ability to do it. However, my opinion, based on information available to me at this time, is that we should not do it. My judgment, which has been reached after a little study but that is still possible in the time allowed, was made not because of the possible financial loss, although I would have liked to have seen better

estimates of the financial result before I ruled that out. My main reasons for opposing the idea are the strains I believe it would put on our other limited resources, possibly setting back other priority projects, and the serious bottleneck it would create at our only airport. In the light of all the knowledge I have today, I must oppose the idea of hosting Expo in Hong Kong in 1997. I must also oppose registering the intention of hosting Expo in 1997 because the airport saturation and limitation in resources would not change with further study.

I, however, cannot oppose the motion as I think the Government should always give full and serious consideration to serious and imaginative proposals made by this Council and, while I believe this one is not timely and has not been the object of sufficient study prior to being submitted, I believe it should not be ruled out without a review.

MRS. LAM (in Cantonese): Sir, Hong Kong though small geographically has high standing internationally for its success in commercial and financial fields. It's the Hong Kong people whose vision, hardwork and dedication which have contributed to this success. The tourist trade has been booming because Hong Kong has so much to offer to the visitors and it has brought revenue as well as prestige to Hong Kong.

So far Hong Kong has not held any international events such as the Olympics or the Expo. The World Expo, if held, would bring Hong Kong into the eyes of the world. Many visitors, I know, will come in 1997 to see what Hong Kong will be like when the sovereignty is transferred to China. The World Expo 97 would demonstrate to the world that Hong Kong people are not only NOT worried by the transfer but have the determination to make it a place proud to live in. In my view, such an event will bring prosperity to Hong Kong; trade and industry will benefit; and the image of Hong Kong will be enhanced. Also, China's tourist trade will be benefited.

I have been gathering opinion on this proposal and so far people have responded favourably to the idea. Staging an international event of such a grand scale will inevitably bring problems in transportation, hotel accommodation and so on. I am aware that the Government has also highlighted the difficulties and problems such as land and financial implications that Expo 97 will bring about. However, I think many of these can be solved, such as privatization of Expo or issue of government bonds. What we are urging now is to register the intention first and if real problems do arise, we can always withdraw the intention. I do not want Hong Kong to miss the

chance of registration of intention. The information provided in the pre-feasibility study has indicated that it is feasible for Hong Kong to cope. The pre-feasibility study is only the first step and a more comprehensive study will need to be undertaken later to ascertain in more details the advantages and disadvantages. However, the immediate step I feel is that the Government should seriously consider registering our interest in organizing the World Expo.

With these remarks, Sir, I have pleasure in supporting the motion.

MRS. LAU: Sir, the staging of an exposition in Hong Kong in 1997 is an opportunity which should not be easily forsaken. In the many years ahead of Hong Kong, from now until 1997 and beyond, I am sure there will not be a more commemorative year than 1997 nor a more commemorative event than the historic changeover of sovereignty over Hong Kong in that year. Indeed one important criterion for staging of an exposition is that it should be centred around an important commemoration and it would seem that, as far as Hong Kong is concerned, the year 1997 most aptly fulfils this criterion.

Since the consultants' report commissioned by the Honourable Stephen CHEONG was published, the topic of Expo 1997 has become the talk of the town and is extensively covered by the media. The enthusiasm which the proposition has generated is almost unprecedentedly overwhelming. Many people talked about it with excitement. Many people expressed enthusiasm, optimism, faith and hope in the project. It is undeniable that there are many positive attributes to the staging of an exposition in Hong Kong, including the bringing of economic benefits to Hong Kong, enhancing Hong Kong's image, promoting internationalism, attracting world attention, boosting tourism, to name but a few. I do not propose to go through them in detail but indeed the positive features are umpteen in number. However in my view, the most important effect of staging an exposition in Hong Kong in 1997 is that it will most certainly instil and increase the confidence of the people of Hong Kong in the future of the territory. We are concerned about the increasing number of people emigrating from Hong Kong. We are also concerned about the brain drain problem in Hong Kong. The organization of such a meaningful and challenging event as the exposition in 1997 is perhaps the best indicator that stability and prosperity will continue in the territory during this transition period and thereafter. With respect, I cannot agree that an exposition held in Hong Kong will only be a glittering and fanciful event of momentary grandeur or passing benefits. I believe that the impact of an exposition in Hong Kong, particularly in 1997, will be profound and long lasting and will inure for the

long-term benefit of the community. Instead of being apprehensive about the coming of 1997, and being uncertain about what will then happen, the community would actually be looking forward to it with pride and enthusiasm. The demand for technology which necessarily accompanies such a mammoth international event will certainly cause professionals to think twice before leaving and attract professionals who have left to return because they would know that the opportunities are here for them. I am very pleased that Government is placing great emphasis on the infrastructural development of Hong Kong but I am sure that Government is also conscious of the need to maintain the confidence of the people of Hong Kong during these vital years leading up to 1997 which is equally, if not more, important. I firmly believe that a commitment to stage the exposition in 1997 will be a strong booster of such confidence. It is a commitment which will induce those who are here to stay and participate and those who have gone to return and share.

Having said the above, I must point out that we should not be carried away by the perhaps over optimistic note of the consultants' report which in any event is only a pre-feasibility study. I myself am not without reservations in regard to the project, some of which reservations have been sounded in the Administration's views on the Expo proposals. Indeed if the exposition can only be carried out at the expense of sacrificing or substantially delaying infrastructural development which is so important to Hong Kong, no person can validly sustain an argument that it should be done. The exposition will have to give way to the wider interests of Hong Kong. But we must be convinced that that will be the inevitable position. We must be satisfied that there is no way whereby the works necessitated by the exposition and the scheduled infrastructural projects can be co-ordinated. The tone underlying the Administration's views is one of strong reluctance to support the proposal. However I regret to say that I do not find the reasons advanced or the contentions put forth by the Administration to be sufficiently convincing or adequately substantiated. The harbouring of reservations is one thing but to conclude that difficulties are insurmountable is another.

I think that it is common ground between proponents and opponents of the proposal that if Hong Kong is ever to go ahead with the idea of staging the exposition in 1997, the information available to us must be sufficient, and that is, a full feasibility study will have to be conducted. If the findings of that study are such that the stated reservations of the Administration will be a real concern or otherwise the exposition will produce difficulties which are genuinely insurmountable, I believe that we will certainly recognize and accept where our priorities lie.

Ideally we should have the full feasibility study before a decision is taken as to whether or not to register a bid, but time does not permit this to be done. Bearing in mind that public opinion appears to be overwhelmingly in favour of the proposal and the fact that the chance, if not secured now, would be lost forever, it would seem desirable that we should proceed to register first and only to make a firm commitment when the detailed feasibility study concludes the whole scheme to be practicable.

Sir, with these remarks, I support the motion.

MISS LEUNG (in Cantonese): Sir, With regard to this motion debate, we have to ask ourselves two questions: first, is it absolutely necessary for Hong Kong to hold a world exposition in 1997? Second does Hong Kong have sufficient resources and all the necessary conditions to stage a successful Expo in 1997?

Our answer to the first question can be quite subjective and need not be very rational. However, the answer to the second question needs to base on findings and analysis on basis of reliable information and data.

I shall start with the second question. From my knowledge of the subject in question and the information and data given in the "Expo 1997 Hong Kong Pre-feasibility Study" Report compiled by the Freeman Fox (Far East) Limited, a consultant firm commissioned by Honourable Stephen CHEONG who is the mastermind of the Expo 1997 idea, I have reason to doubt the feasibility of the Expo 1997 proposal.

A balanced budget of revenue and expenditure is a prerequisite for a successful exposition. Although the consultancy report has arrived at a favourable conclusion on this point, the data provided give rise to doubts in many respects. The report has on one hand, excluded some expenditure items from the cost estimate, eg. land cost, while, on the other hand, presented an over-estimated revenue projection. As indicated by the report, 71% of the Expo's revenue would come from admission fees. Obviously, the consultant firm has over-estimated the number of visitors, thus leading to an over-optimistic projection of the revenue.

Special attention must be drawn to some of the estimated figures in the report. It has been forecasted that there would be 3 million visitors from the People's Republic of China coming to Hong Kong within the six-month Expo period. Among them,

2.7 million would visit the Expo. As the average number of entries per person is estimated at 2.5, the number of visits to the Expo by Chinese visitors would come to a total of 6.75 million, accounting for 23.9% of the total number of visits. These data are, in fact, over exaggerated. I just wonder if anyone in Hong Kong would believe it. According to the estimation of the consultant firm, most of these Chinese visitors would make return journeys between Hong Kong and the Pearl River Delta region in one day. As there would be no need for them to stay in Hong Kong overnight, a large number of the hotel rooms could thus be spared for the tourists from other countries. It seems that such data can only be taken as weird remarks. Not to mention how affordable these Chinese visitors would be by that time, these visitors would have to travel between Hong Kong and places such as Guangzhou, Zhuhai, Zhongshan, Nanhai, Shunde and Xinhui within a day, crossing the border twice just to pay a visit to the Expo. We have reason to believe that the trip alone would take up the greater part of a day. How much more time would then be left for a single visit to the Expo, let alone an average of two to five visits for each visitor? Thus, it can be seen clearly how dangerous it would be for us to give ready credence to this kind of so-called expertise estimation.

From the same estimation provided by the consultant firm, we may even draw other inferences. If all the Chinese visitors to the Expo would make a total of 13.5 million entries and exits across our border during the six-month Expo period in 1997, it would mean a daily average of 37,000 visitors making 74,000 trips through our check points. In addition, there would be 300,000 Chinese visitors and a large number of local residents and foreign visitors entering and leaving Hong Kong and China during the same period. We have reason to believe that immigration and transport facilities will be far from adequate to meet such large demand.

The report also estimates that 85% of Hong Kong people would visit the Expo and that each would pay an average of 2.5 visits. Such an assumption also opens to question. Although it is not an easy job to predict whether Hong Kong people will have sufficient spare time and interest to make as many visits to the Expo as it is suggested by the report, judging from the leisure time Hong Kong people have today and the way they spend it, it is obvious that the consultancy report has again made another over-estimation in this area. According to statistics, for the whole year of 1987, the Ocean Park, the Space Museum and the four special thematic exhibitions organized by the Hong Kong Museum of History only attracted 1.75 million, 1.53 million and 0.63 million visits respectively, including visits made by local residents and visitors to Hong Kong.

As far as weather is concerned, I have to point out that the period between May and October is not a favourable time for hosting the Expo as that would be our rainy and typhoon season. If the weather turns foul, the attendance at the Expo will surely drop. Furthermore, it is usually hot and humid at that time of the year and such weather is not conducive to Expo activities.

So far, we have reasons to believe that the consultancy report has over-estimated the attendance rate of the Expo. In expounding its view on the Expo issue on 13 October 1988, the Government has pointed out in a statement that 'if the number of visitors should be substantially reduced, the project would not be viable. A heavy financial burden possibly running into billions of dollars would fall on the Special Administrative Region Government in the first year of its existence.' I hope the Hong Kong people will look squarely at this problem and consider whether it is worthwhile to run such risk.

Some advocates of the Expo proposal believe that Expo 1997 will attract additional tourists to Hong Kong and all trades related to tourism will be benefited. However, we learn from the consultancy report that owing to the airport constraints, it is estimated that there will only be 200,000 Expo specific international visitors coming to Hong Kong which accounts for only 5% of the 4 million non-specific international visitors arriving in Hong Kong during the concurrent period. Is it worth our efforts and resources to host an Expo at no small risk if we can only attract such a small percentage of specific international visitors?

The consultancy report also points out that the average length of stay of most non-specific international visitors will extend from 4.12 days to five days. Their spending in Hong Kong will not increase tremendously as they will only spend their money in the Expo rather than in any other places.

The hosting of the Expo will make the supply of air passenger seats to and from Hong Kong as well as hotel rooms fall short of demand. Businessmen who want to come to do business in Hong Kong will become hesitant. The consultancy has not taken into account the possible losses in trade in this respect.

Sir, having said that much, I have still left one very important point untouched the availability of suitable site which is essential to the materialization of the Expo idea. The consultancy report points out that the proposed Expo requires a site

of 60-80 hectares. As we all know, Hong Kong is always short of developable land. In fact, we have always been in great need of usable land in order to alleviate the pressure generated from the rapidly increased population and the hectic economic activities. Take for instance, the minimum Expo site of 60 hectares can alternatively be developed into three Wah Fu Estates (each covering an area of 19.7 hectares) to provide accommodation for over 150,000 people. In other words, that 60 hectares of land, if made available to us for rehousing purpose, will be larger than enough to resettle some 120,000 squatters in all our urban areas.

At present, no land of such size is available in Hong Kong that can be used as an Expo venue or for other purposes. The consultancy has identified three most preferable sites for the Expo, namely Central/Western Reclamation, West Kowloon Reclamation and Junk Bay New Town. Nevertheless, all these proposed sites are not land reserve readily available for use. As the Government has commented on the suitability of these sites in its statement on 13 October 1988, I do not want to repeat these points. In short, schedules and plans for future development on all these three sites have already been laid down. The abrupt adoption of the Expo plan will definitely have a disruptive effect on the planned development. Furthermore, the Expo plan, yet to be decided, does not render itself more worthy of the top priority than the other planned future development projects.

Sir, in the light of the objective factors such as the unrealistic revenue and cost projections presented in the consultancy report and the unresolved site problem, it would be very unwise to host a world exposition here in 1997. It is too risky an undertaking with doubtful prospect of any returns. Should the proposal of Expo 1997 be upheld for subjective reasons, it will certainly upset the scheduled priority of our future development project and, very possibly, cause delay to our major infrastructure development programmes, thus affecting Hong Kong in its preparation for the many challenges lying ahead at the turn of the century.

Sir, now I would like to speak on the first question I have earlier raised. Is it absolutely necessary for Hong Kong to host a world exposition in 1997? The argument's in favour of the idea are generally based on political and psychological consideration. In fact, there are various kinds of gestures that yield political and psychological effects. Why do we not choose a safer and riskless form of expression which could guarantee bumper returns and at the same time serve the purpose of demonstrating our strong confidence in welcoming the great moment of 1997 and the new epoch of 'one country, two systems' and 'Hong Kong people administering Hong Kong'?

As I have just mentioned, it is unwise and risky to choose the staging of an Expo as a gesture to commemorate the transfer of Hong Kong's sovereignty in 1997 because the prospect of returns, if any, is very much in doubt.

A telegraphed message titled 'Hong Kong Expo is a worthy risk' was released by the Hong Kong China News Service on 14 October. The caption and contents of the article itself already give indications that the Hong Kong China News Service is well aware of the element of risk in the Hong Kong Expo 1997 proposal. By staging an Expo in 1997, the future of Hong Kong and the fate of the future Special Administrative Region Government will be used as a wager. It is a commitment we should never undertake as long as other options are open to us.

We consider it extremely rash and irresponsible if we causally register our interest in staging an Expo in 1997 with the BIE before we are certain of our capability to host such an event. It is not advisable for a reputable place like Hong Kong to commit an act of this kind. Notwithstanding the assurance given by the consultancy report that the submission of intent is not binding, our credibility and the honour of our promise are still at stake. Furthermore, the good reputation of Hong Kong will be blemished if we withdraw our registration afterwards upon confirming the infeasibility of the Expo idea or if Hong Kong is later assessed by the BIE as a place not sufficiently equipped for staging such an event.

Sir, I am not opposed to the idea of Hong Kong hosting an Expo. I only think that Hong Kong will probably not be able to satisfy all the objective conditions for a successful world exposition by 1997. Our decision on the Expo 1997 issue has little to do with the local confidence in the future of Hong Kong. There has been no evidence whatsoever to suggest that the political status, international reputation, economy and livelihood of a place are in any way associated with the staging of an Expo. We are however very certain that the Hong Kong people will be disappointed and feel much less confident if our Government fails to step up its pace in developing infrastructure projects and solving those primary problems that are affecting the livelihood of the local population.

Sir, I think I should now sum up but before doing that, I would like to tell Honourable Members of various views on Expo 1997 that I have come across and which I had not thought of telling before a scientifically conducted survey has been undertaken. Nonetheless, since so many of my colleagues here have referred to these views and opinions, I think I had better tell. So far, I have never come across any

view in favour of staging Expo. Basically, opinions range from reservations to outright rejection of the proposal as impossible or unnecessary. These views have mostly been conveyed to me by people of their own accord. Because of the shortage of time I have not been able to carry out any scientific survey on the matter myself.

Sir, with these remarks, I object to the motion.

MR. MCGREGOR: Sir, I think the approval or rejection of the Expo 1997 proposal must be determined on the basis of the public interest -- what is best for the people of Hong Kong bearing in mind the very large demand on resources, both public and private, that Expo 1997 would represent. We must also consider the inevitable delay in what many will regard as essential infrastructural developments.

I am also concerned about the potentially serious disruption to the economy caused to the travel and accommodation arrangements for thousands of foreign businessmen attempting to visit Hong Kong for business purposes during the six month period of Expo, particularly having regard to the constraints on the capacity of the Hong Kong International Airport. And here I find out in the newspaper this morning that the public also appears to be very concerned about the capacity of the airport. The airport will be subject to a physical limitation on flights, and therefore travellers, well before 1997. The large number of visitors who are likely to be attracted to visit Expo by air would only aggravate the problem.

The three land sites suggested as suitable for Expo are each needed for essential urban development, according to the Government. The use of one of them will require a rearrangement of priorities and a loss of time in completing public works and other projects needed by the community.

The Government has set out its serious concern at various aspects of the Expo 1997 proposal. I believe it is reasonable to accept that this concern is justified. It has also been made known to us rather late in the day and should surely have been conveyed to the Expo 1997 consultants at some point in their deliberations when it could have been taken into better account. There seems to have been a lack of communication and co-ordination.

Be that as it may, the Government's concern is the same as my own. I do not feel that Hong Kong should embark upon a project of this scale and importance if we have

serious doubts about its viability.

Sir, I still have such doubts. Nevertheless, having regard to the very odd wording of the revised motion, I believe more details should be worked out by the Government and private sector to examine the problem facing the staging of Expo 1997. Some months will be required for this detailed study. I therefore support the motion.

MR. SIT: Sir, I have never doubted the good and noble intentions of the proponents of the idea of Hong Kong hosting a world exposition in 1997. In particular, I have a lot of admiration and respect for the imagination and energy of the group of business executives and professionals headed by our honourable friend Stephen CHEONG. Like many responsible citizens of Hong Kong, they are keen to work for the continued prosperity and stability of Hong Kong.

Given the present economic, political and social achievements Hong Kong has so far attained, and given that we can sustain economic growth and social development, any suggestion to maintain our prosperity and stability is certainly worthy of serious consideration. But, Sir, I suggest that a smooth transition would require much more than building impressive exhibition halls, collecting worthy exhibits and finding sufficient visitors. There are many more important tasks ahead of us and Hong Kong must conserve and concentrate her energies for the maintenance of steady economic progress between now and 1997. This can best be achieved through the strengthening of the urban infrastructure on the one hand, and through restructuring local industries to meet overseas demands on the other.

As regards infrastructure, it has become increasingly clear that Hong Kong must urgently address the problem of when and how to proceed with the replacement airport and the improvement of the territorial sewage treatment system. Decisions on these two multi-billion dollar projects must be taken soon to ensure that they would be in place to serve the needs of Hong Kong around the year 2000. In addition, substantial labour would be required, adding further strains on our already overstretched labour market. In short, the planning, financing and implementation of the two projects alone would definitely, and I repeat definitely, call upon much of the would be available brain, manual and money power not only within Government, but also in the private sector.

As regards local industries, urgent steps must now be taken to restructure local

industries to meet the ever-changing needs and demands of our overseas market. We need to address many issues, including changes in costs of production, technological deepening, structural diversification, and the new potentials and opportunities of the China market, such as Chinese technological input, labour input, and the availability of land and other natural resources of the Pearl River Delta.

Sir, if I sound pessimistic, it is because I am a realist and a pragmatist. My business profession has taught me to balance between potential gains and risks. The holding of a world exposition in 1997 is a high risk undertaking involving high stakes. The question is whether Hong Kong can and should take the risk against the potential gains which are intangible. I suggest that the risk is unnecessary. The single potential gain of holding an Expo in 1997 is to put Hong Kong to the world. In this connection, we are already the largest exporter of toys and watches; we have the largest and most efficient container port in terms of throughput; and we are one of the major international financial centres. In other words, we are already well known worldwide, unlike other second and third line cities which have much to gain by holding a world exposition.

Turning to the political dimension, I have been told that BIE will not give a reason if it decides that Hong Kong should not be chosen for holding an Expo in 1997. The potential loss of confidence in Hong Kong accompanying such a decision, particularly when no reasons would be given, is such that Hong Kong will not be able to afford. So, why take such high risks when we can achieve equally good results if not better, if we work hard as we have always been, and concentrate on developing the programmes to which we are fully committed.

Sir, with due respect to our honourable friend Mr. Stephen CHEONG, the result of my consultation with the South Kowloon constituents which consist of two district boards, namely, Yau Tsim and Mongkok, that I represent, is such that about 70% of the district board members whom I have contacted concurred with my foregoing remarks.

In the circumstances, Sir, I do not support the motion.

MR. TIEN: Sir, it has been well said that a week is a long time in politics. The question of Expo 1997 has now become a matter of active debate. At times I fear that we have, over the past few days, experienced more heat than light. As this Council thinks its way through what is now a quite complex situation, I would like to offer my views

on the matter.

First of all, let us not forget, that while Government has announced its 'grave reservations' about Expo 1997, it is fully aware of the positive features of the scheme. These are that Hong Kong would be in the world's spotlight, would show itself being able to stage an international event and would convince everybody -- if they need to be convinced - that this is a 'dynamic, prosperous and efficient city'. But Government has claimed not to have yet arrived at a final position.

This double-headed approach, I fear, may lead the public into some degree of confusion. Let us ask a very basic question. How much is Expo 1997 going to cost? If you look at the figures supplied by the consultants, you would end up with a figure of less than \$2 billion. But, if Government's assessment is accepted we will have to find some \$7 billion. This includes 'land formation, construction, infrastructural and service support including hotels'.

Now I am sure that the gap between \$2 billion and \$7 billion is not mere technical discrepancy. It is a huge amount of money. The public may well ask: who is more accurate?

Let me take this point further. The sponsors of the scheme contend that about 85% of the population will make, statistically speaking, two and a half visits. On the other hand Government is unimpressed and sees the figures as unrealistic. But at present Government has refrained from enlightening us as to its figures.

The Government also takes an extremely negative view about the question of the 'very large numbers' who would come from China. Immigration officers would just not be able to cope with 15,000 daily visitors from China. This I fully agree at present.

However, I must say let us remember that 1997 is nine years away. By then, we may be beyond the so-called 'fifth generation' of computers for our Immigration Department. Also, by then, we will be implementing 'one country, two systems' in the SAR Government, and our relationship (including issuance of visitor visas) with China will be much different than today. It is possible that daily visitors from China then will be increased substantially from today's 200.

Again, the Government puts up an argument that Kai Tak airport cannot be expanded

to receive Expo's guests. In any case they say 1997 is too early for a new airport to be fully operational. The consultants appear to argue that the present Kai Tak terminal facilities could be boosted and rescheduled from 14 million to 28 million passengers per annum and can be spread out over a period of time.

The optimists will urge us on. The pessimists will want us to call a halt. I suggest that the question therefore comes down to one familiar to all decision-makers, one familiar to businessmen and civil servants alike. This is one of priorities, of choices, of analysing the facts in detail.

In the period up to and beyond 1997, seven major infrastructural projects will likely be undertaken. We are going to be fully stretched. In consequence, given the material, equipment and labour resources we have in hand, we may not be able to cope with Expo 1997. But should we not even try?

Sir, I feel that there is much room for closer study -- not the least to iron out these various discrepancies.

I am an idealist -- but an idealist without illusion. I fully accept the arguments for caution based on these 'grave reservations'. However, without further detailed analysis, I am at present not convinced at all that we cannot overcome the difficulties outlined by Government. If we must talk about priorities let us take them back to the drawing board -- or even to the think tank. Maybe with good Government co-ordination between all these projects and Expo 1997 and better efficiency of our construction industry, with the help of some imported labour, they can co-exist.

Sir, I do not wish to support a simple motion to stage Expo 1997. Moreover I would certainly not support the proposal if further study positively proves all the reservations expressed by the Government spokesmen. The motion before us is to 'urge the Government to give full and serious consideration to the proposal to register Hong Kong's interest in staging Expo with BIE' so that all the contradictory figures can be more closely analysed. It would be a grave mistake if we simply gave up now, without fully studying the facts to prove one way or the other whether Expo is viable.

Sir, I beg to support the motion as tabled so that our options remain open.

MRS. TU: Sir, it was not my intention to speak on this motion, but after consulting

my constituency I believe it is my duty to express what is their near-unanimous view.

Expo 1997 is an exciting proposition and should not be dismissed for all time, but the timing is considered inappropriate, mainly because it would coincide with a major political change involving the Governments of China, Britain, Hong Kong and the future Special Administrative Region. I have to conclude that a later date would be more appropriate when Hong Kong could show the world what progress has been made by the Special Administrative Region.

Other reasons given by my electors for not holding an exposition at that time include the fear that the large amount of finance involved could defer other essential projects, especially in view of the present claimed by construction companies. It is suggested that the project will cause inconvenience to local residents unless we can achieve improvements in all kinds of transport, and these are not likely to happen before 1997. Some fear that an Expo funfair could be followed by an anti-climax in our usually thriving trade and tourism industries.

However, I must emphasize that the main objection of my constituents is the timing. Since there has been little time to plan how the many problems may be resolved, it would seem futile to register interest in holding an exposition in Hong Kong, unless a more flexible date can be proposed.

I regret that I cannot offer my enthusiastic support to the motion as it now stands, though I do congratulate Mr. CHEONG and others who conceived this very imaginative scheme.

MR. PETER WONG: Sir, in view of the lengthy discussions this afternoon, I will be brief.

Yes, I like the idea of an exposition for Hong Kong. It is the strongest message that we can give that we have faith in Hong Kong's future.

The application to BIE does not commit us to holding the expo. I welcome this because I personally believe that we need further information in the following important areas.

First, can we allocate sufficient resources to ensure the viability of this

project and its management?

Second, if we are able to achieve this and attract the number of visitors we wish, will our infrastructure be adequate?

Thirdly, more thoughts and studies have to be made on the financial viability of the project in view of the constraints now made known since the pre-feasibility study.

If these aspects are not studied comprehensively, we risk loss of credibility. If however upon further investigation the venture appears imprudent, we will lose nothing in withdrawing.

I am confident that with goodwill and co-operation of all parties, a practical solution is possible. This may involve a different venue, different projections and even a different date from those already suggested.

Until we have further information and more in depth discussion, we should remain flexible in our approach to all aspects.

The timing should take into account the following:

1. If we look beyond 1997, we may find further potential sites which will fit in with the required infrastructure and be less disruptive to planned developments. Or else, existing sites rejected could become viable because of new infrastructure coming into place.
2. The Expo should not be seen to be a celebration of the departure of the British and the coming of the Chinese. Instead, it should show the world how we in Hong Kong are adapting to the circumstance of one country two systems. If the Expo is held say three or four years or in five after the establishment of the Special Administrative Region it can demonstrate that the system is flourishing. I am sure that China will also wish to affirm that it is keeping its side of the Joint Declaration, in the spirit as well as to the letter.
3. May to October is very hot and humid. It is also in the typhoon season. Would it not be better to hold the Expo during the dry and cool autumn and winter weather?

Having considered the available evidence, I still believe that an Expo is a good idea but I am not convinced that May to October 1997 is the best date. I feel that we will make a better job of it and make a more telling statement if the timing is somewhat later.

For these reasons, I do not wish to vote against the motion but would abstain.

SECRETARY FOR LANDS AND WORKS: Sir, in supporting this motion I would like to speak about the three sites proposed by the consultants and the implications of choosing any one of them to host an Expo in 1997. It would be much easier to do this with maps and I hope that this will be intelligible.

Following our internal investigation into possible sites, we, like the consultants, came to the conclusion that Central and Wan Chai reclamation, west Kowloon reclamation and Junk Bay Phase II reclamation were the only real starters. All are sites which Government intends to be reclaiming in the 1990s as part of its planned development programme, but in each case, the use of the land for an Expo would entail a major restructuring of the presently envisaged development programmes at considerable cost to the community, as the present schedule would certainly not provide the serviced land needed in any of the reclamations in time.

In Central, the main strategic needs for the reclamation are the construction of a new east-west trunk road link over, under or through the reclamation, and the provision of sites in Central for offices. Most of these office sites are presently planned on the part of the reclamation suggested for use for Expo and we plan to be selling some of them within the next eight to 10 years. Expo would delay the availability of sites for at least two years and during this period, we would not be able to provide an alternative area for this kind of development. It is essential to our development that we continue to provide land for the commercial development of Hong Kong as an international financial and business centre. The trunk road is required to be available in about 1996.

Sir, may I pick up Mr. Stephen CHEONG's point about Government's failure to quote its own consultants' report, or rather to disclose its 'own consultants' report' on the feasibility of using the Central and Wan Chai reclamation for Expo 1997. This was also mentioned by Prof. POON and Mr. Ronald CHOW. I was surprised by this accusation from Mr. CHEONG. A copy of this document, which the consultants who

provided it would probably sooner have described as a note, was passed to Mr. CHEONG's consultants in July by the Project Manager, Urban Area at a meeting at which both the Central and Wan Chai Reclamations and the west Kowloon Reclamation were discussed. This note which defines a possible area and a possible works programme for the Wan Chai Reclamation does not go into the institutional problems, the statutory procedures and the consequences in terms of delay to the permanent development of using a site for Expo. This note was asked for by the Director of Territory Development to assist him in advising the Government on sites as necessary. My maligned friend, the Secretary for Administrative Services and Information, had no knowledge of this report and indeed had no reason to.

The main functions of the west Kowloon Reclamation are to provide: firstly, land for two major road links, the west Kowloon expressway and its connections into the existing road network, and the western harbour crossing and its links to Kowloon and the expressway; and secondly, for land to make up the glaring deficiencies in facilities and open space in west and north-west Kowloon and partially for the public housing programme. A continuous programme of reclamation and road construction will be in progress by the mid-'90s which would be I think incompatible with the holding of the exposition in this area. There is a clear need to provide open space for west and north-west Kowloon and our aim is to provide at least part of this in the older areas and to 'thin out' the buildings from the old areas onto the new reclamation. As existing buildings in Yau Ma Tei and Mong Kok are being steadily redeveloped by their owners, this will become progressively more difficult, and, even if there were not the problem of conflict with road-building programmes. It would be imperative that we should avoid delay in providing the necessary space for this to happen.

The position in Junk Bay New Town is rather different. Here we have more of a 'green field' situation. The proposed area for the Expo is on part of the future Phase II reclamation, part of which is designated for the town centre. To make available a serviced site for Expo and to provide supporting transport and other services would involve: First, bringing forward the whole formation and servicing of this reclamation by about two and a half years. I say the 'whole' reclamation because the waterfront site required for Expo would be formed and serviced last in the reclamation sequence. Second, bringing forward the construction and occupation programme for two public housing estates planned on the reclamation and presently scheduled for construction between 1991 and 1998, so that the estates would be completed for occupation in early 1996. The need for the early construction and occupation is that

the Mass Transit Railway, without which Expo would be impossible, needs a base residential population of 200,000 before opening, and the estates are essential to achieve this. Third, the MTR construction programme, which on the basis of a 200,000 population threshold is now being planned for completion by about the year 2000, would have to be brought forward also. Fourth, the construction of the town centre and other community facilities, which should be constructed in time to serve the newly-arrived population in the housing estates, could not be started until about two years after the population actually moved into the area. So we will have a situation of people moving into estates in 1996 not getting their open space and other facilities planned for the town centre until about four years after they arrived.

The theoretical cost of this exercise, excluding MTRC and Expo construction costs, could, I suppose, be taken as: First, the cost of compressing a nine-year land formation and servicing programme, now estimated at \$1.5 billion into seven years. Second, the public housing programme, estimated for about \$1.4 billion to be spent between 1991 and 1998, now averages about \$200 million per annum. To complete it in five years would raise the theoretical annual average expenditure to \$280 million. But this is just for basics and it is theory; and I will emphasize shortly that haste too would have its own price.

The compressed development of the reclamation and the housing programme and the construction of Expo to follow would be a crash programme, imposed at a time when it seems inevitable that most of the main infrastructural programmes will also be seen as 'crash' programmes. As we have said before and it has been mentioned this afternoon by several Members, the major projects under way in the 1990s will be: the new airport; major new port facilities; the trunk roads, bridges and tunnels necessary to serve airport and the new port facilities; the continued expansion of new towns; major reclamations around the harbour; a major road from the Chinese border to west Kowloon; and substantial works for sewage and flood protection as part of the major environmental improvement programme. And they will not be the only one.

Clearly not all these programmes must be treated as crash programmes, but during this period, it seems inevitable that at least the airport, if constructed, parts of the port facilities, much of the road, bridge and tunnel systems, some of the harbour reclamations, the new north-south trunk road, and a substantial part of the sewage and flood protection systems, will be seen as 'crash' programmes, all competing for limited financial and construction resources. In such programmes, you have to accept that resources, wherever found and whoever acquiring them, become scarce and

more expensive so that all present estimates of cost including those of the Expo itself will tend to escalate. The more crash programmes you embark upon the greater the escalation. So the theoretical estimate of basic costs which I outlined earlier will become distorted in this context and the acceleration of works in Junk Bay or anywhere else would necessitate the displacement of other programmes.

Sir, it is not my function alone, as Secretary for Lands and Works, to determine the priority of Government's objectives involving development, but I can fairly say that against the pattern of other development priorities, the achievement of Expo 1997, in any of the sites suggested, would involve costs and sacrifices well beyond those suggested in the consultants' report.

With these remarks, Sir, I support the motion.

SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION: Sir, I am most grateful to my colleague, the Secretary for Lands and Works, for clearing the air about the mysterious consultancy report. None the less, Sir, it is a matter which calls for comment. It is sad that a major newspaper should involve itself in a series of articles which twisted a note prepared in the restrictive area of a piece of land to the Director of Territory Development into a consultancy study as to whether an Expo should be held on that site. What imagination, but, Sir, what impropriety!

Sir, the question was also raised about the result of the survey carried out by Hong Kong Standard published in Hong Kong Standard and Sing Tao saying that 85% of Hong Kong people support the idea of an Expo in 1997. Not very long ago in the last Session in this very Chamber, the Government was criticized for the methodology adopted in carrying out a survey. I suppose the question is: It all depends on how a survey is done and what questions are asked. If you asked the question: 'Would you like to have some tea and coffee?', your answer might be "yes". If the question is: 'Would you like to have some tea and cake?', the answer could equally be "yes". But if the the question had been whether you would like tea or cake, I am sure the answer would be very different. I am not criticizing the survey. I am not disputing the finding. But I do question the methodology used.

Sir, Mr. Andrew WONG in particular, and several others, referred to the very popular Cantonese saying of 'the crab being crushed by the boulder ()'. What the Government did was merely to express its reservations. In the Chamber today, on the

one hand we are criticized for not expressing our reservations earlier and yet when we did express our reservations in response to the consultants' final report we are criticized for 'crushing the crab'. What do they want of this Administration?

Like many others I welcome the high level of interest and discussion on the proposal for Hong Kong to host a world exposition 1997. I believe that almost all of us here today welcomed the idea when it was first mooted, as a most stimulating one. The visual images which the consultants have produced as part of their report are appealing and have done much to underline that initial perception, certainly in the minds of the casual observer.

The proposal deserves careful attention and it is getting it, not only from Members of this Council and the Administration but also from community leaders, the media and last, but by no means least, from the general public. This is as it should be. The bid for Expo would have to be made formally by the United Kingdom Government and indeed the Chinese Government would have to be associated with it, since Expo would straddle 1997. Nevertheless we believe that the fundamental decision as to whether to seek registration is one for Hong Kong. This debate is thus important in stimulating further comment on the issue.

We have made it clear that the Administration has reservations about the proposal and have spelt them out both to the Legislative Council ad hoc Group and more publicly to the press. We have done so to ensure that there is balanced discussion on the issue. It would have been a very easy and probably popular decision simply to say 'what a good idea, let's go ahead and sort out the problems later'. But it would have been irresponsible for us not to look most carefully into the practicality and feasibility of the project from the point of view of the Administration. In particular we have to examine how and whether the Expo project would fit into the overall scheme of things. A view on Expo cannot be taken alone and in isolation. This wider view has now been taken.

I would like to echo remarks made by my colleagues in this Chamber. My honourable friend Mr. Stephen CHEONG in putting forward his proposal and by giving it financial backing through the commissioning of a pre-feasibility study has shown himself to be confident in Hong Kong's future, confidence which we all share regardless of our view on whether Hong Kong should have an Expo in 1997. I am sure that no one will try to suggest that any decision on Expo should be regarded as a barometer of the level of confidence in the future of Hong Kong.

Let me, Sir, turn now to some of the practical aspects of the proposal.

I would like to point out here that at this particular time the BIE regulations are more demanding than had previously been the case. Up until now the regulations provided that no bid was required until six years before a proposed event. These rules have now been changed putting Hong Kong and any potential bidder into a situation where they must look up to 12 years in advance to decide the feasibility and advisability of hosting such an event. For Hong Kong these years cover a period of intense activity in both the public and private sector as we work together to ensure Hong Kong's stability and prosperity. It is against the background of all that will be happening in the years up to and beyond 1997, that this decision must be taken.

Sir, for the record I would like to outline the sequence of events from the time Mr. CHEONG submitted his proposal up to the present moment.

When we as an Administration received the proposal in April 1988 it was greeted with much interest and enthusiasm. A working group under the chairmanship of the Chief Secretary was formed from all relevant policy Secretaries, Secretary for Lands and Works, Secretary for Economic Services, Secretary for Transport, Deputy Financial Secretary, Secretary for Trade and Industry and myself. This group has carried on its deliberations throughout the whole period. There is thus no question that the issue has not been taken seriously.

As the Secretary for Lands and Works has explained, the group's initial findings identified Junk Bay as a possible site if the MTR could be extended to it in time. However, once the group began to look at the constraints posed by the airport, serious reservations on the proposal emerged. Such reservations as we had at that point were put to the ad hoc group at a meeting held on 13 July 1988. Nonetheless by that stage Mr. CHEONG had announced the appointment of his consultants and it was clearly proper for us as the Administration, having put our initial reservations to the Legislative Council ad hoc group, to await the outcome of their study.

We met the consultants on 15 August to discuss their interim report. We again expressed reservations on the assumptions made by them. We offered them further opportunities to discuss these reservations. We did so in the hope that the offer would be taken up and that in the preparation of their final report, our views and reservations would be taken into account. We also invited them to discuss the matter

with individual Secretaries, and I believe the question of a possible site was indeed discussed with the staff of Lands and Works Branch. But no other Secretary was approached or asked for information and no further meeting took place between the group and the consultants until the final report was published on 3 October 1988. In the event, the final report did not differ, in substance, from the interim report. The consultants made the statement that all problems could be surmounted. They did not say what the problems were nor how they were to be surmounted.

During the time of the consultancy I sought advice from three experts in the field of Expos. Two of them gave written reports, the text of which was subsequently made available to OMELCO. The advice we sought was to ascertain the basic requirements for hosting an Expo; they were in no sense feasibility studies. The purpose of seeking this advice was to see whether Hong Kong could meet these requirements. Both experts confirmed the necessity of reliance on a sufficient number of visits to the Expo to make such an event a success. Indeed they pointed out that the level of attendance was the starting point. It would make, or break, an Expo. This point was also reflected by Mr. CHEONG's consultants. I would therefore like to turn now to the question of attendance.

In Hong Kong's special case we see a need to make an event such as this not only viable but also international. We see an Expo as an opportunity to show the world that Hong Kong will continue to be a vibrant, economically buoyant force in the world in 1997 and beyond. However, due to the limitations imposed by the airport, we do not see this international objective being met because we will not be able to bring in from overseas the number of visitors that we would want. The limitations on the airport have been accepted by the consultants, as they also accept that there cannot be a new airport ready for service in time for Expo.

I will not rehearse the figures for attendance in full as I believe that they are already well-known. We have some specific reservations, however, on the figures suggested by the Consultants for attendance by people in Hong Kong and from China. I might add that these reservations have been echoed elsewhere, both within and outside the Administration.

We have been told by the consultants that each of the categories of visitors must fulfil their 'quota' or else the project would not break even. Their words, not ours. While projecting visits running up to 28 million, the consultants came up with a rather odd figure of 200,000 overseas visitors. The significance of such a small figure still

escapes me. Since we are unlikely to have a significant increase in the number of overseas visitors who would come specifically for the Expo, it seems that the consultants have relied on local visitors and those from China.

The consultants have assumed on the basis of previous Expos an average of two and a half visits per visitor. In Hong Kong, people have relatively less leisure. We work six days a week, whereas in other countries where Expo have been held, they generally work five days. Furthermore with longer working hours in the day, the number of evening visitors would be less than at other Expos. A university professor of geography thought that the number of visits that can be expected from local sources should be halved. I have some sympathy with this view.

Sir, the consultants further projected that during the six-month period of Expo, 3 million Chinese will come from the People's Republic of China and 2.7 million of them would each visit the Expo two and half times. They would then provide 6 million visits. Whether three million people from the People's Republic of China would come to Hong Kong in the six-month period of the Expo is of course debatable. Assuming that 3 million such visitors do exist, and they do come, we would have to handle 15,000 such visitors a day. Right now, the Immigration Department handles around 200 a day and when the number reaches 250, their resources are very much stretched. Despite Mr. James TIEN's supercomputers I have some difficulty in making the quantum leap from 250 to 15,000. The Director of Immigration has the same problem.

There are various theories as to how the 3 million figure came about. Numerous cartoons in local newspapers have sought to explain it, without much success but perhaps with much merriment. I myself would not attempt to advance my own theory.

We are looking at an average cost per entrant as projected by the consultants of \$82 per visitor. Whether economic conditions in Hong Kong and China at the time of Expo will enable expenditure of that order must be a question mark. Let us be clear that what the consultants are suggesting is that 85% of all families in Hong Kong would be prepared to spend about \$800 on Expo in six months. I must say they are more heroic in their assumptions than I dare to be.

Examining once again the figures for what the consultants refer to as non-specific international visitors, that is, regular tourists and businessmen visiting Hong Kong, it is suggested that 75% of such people would visit Expo two and a half times. While I would not argue that tourists coming to Hong Kong anyway might wish to visit Expo,

can we assume that businessmen travelling to Hong Kong would be so eager? Time is a precious commodity for such people as many of us know from first hand experience and the most I think that we could bank on would be one visit per head.

Certainly we are guessing at numbers, both the consultants and the Administration. One might say that

MR. MARTIN LEE: Will the honourable Member give way? Can he tell the Council why the Administration has not seen fit to commission a report by experts which is a proper feasibility study so that he could give us figures rather than guessing

HIS HONOUR THE PRESIDENT: Mr. LEE, could you let Mr. TSAO finish his speech. If you wish to speak again, I shall consider the matter. Thank you.

MR. MARTIN LEE: Sir, I have intervened to get an answer from him.

HIS HONOUR THE PRESIDENT: Continue with your speech, Mr. TSAO.

SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION: Thank you, Sir. As I was saying, one might say that your guess is as bad as mine. However, as policy Secretaries, we have a clear responsibility not to gamble in our plans for Hong Kong's future. I have therefore spent some considerable time on this particular aspect. Mr. CHEONG's consultants laid stress on the critical relationship between attendance and success of an Expo. An Expo, they said, must have a minimum of around 28 million visits to make it viable.

Meeting this target is crucial because it is not just a question of financial viability, it is also a question of whether or not international exhibitors would find the Expo attractive enough to come and mount an exhibition. I agree with the consultants that we must attain the desired attendance level; but I have yet to be convinced that their optimism is not misplaced. Be that as it may, the most important conclusion to be drawn from the consultants' report is that failure to attract the large number of visits forecast by them will mean failure of the Expo.

Sir, the question which many people have raised in this Chamber and outside is: why not register an interest now without commitment. This may on the surface appear to be an attractive compromise. But, the real point at issue is whether we can afford to divert resources, financial, human and engineering, away from projects which form

the major part of the package devised to ensure Hong Kong's stability and prosperity in the years to come, to a one-off gigantic publicity exercise. No amount of study by consultants and no consultant that we can engage, as Mr. LEE had just referred to, will give us the answer. Only the Government in the end can provide it. This, coupled with the fact that a new airport, as I said earlier, which would be used by international visitors would simply not be available in the particular year, lead us to the conclusion that there is no point in delaying a decision or calling in other consultants. Equally there is no point in making a contingency registration which in itself is undesirable. It is true that a number of proposed Expos registered with the BIE fell by the wayside. The events that did not take place were described by experts in this field as failures. I doubt if Hong Kong would wish to have its name mentioned in years to come, in the context of a failure. Furthermore, if we were to register, then withdraw, there would be all sorts of theories: the most ready and popular one is bound to be that we did so under unspecified political pressure. If the intention of hosting an Expo is, as Mr. CHEONG asserts, to inject confidence, then to withdraw our bid with the BIE is bound to have the opposite effect as pointed out by the Honourable Kingsley SIT.

Sir, to do what the proponents suggest, that is, to register with the BIE even though we do not have the assurance ourselves that we would want to do it, would be the easy, and indeed, a tempting answer. But if we are convinced that there are sound practical reasons for not going ahead, we should say so now rather than allow the issue to drag on and encourage further expectation to be built up.

Sir, civil servants are often perceived as killjoys and, indeed, only too often we are called upon to burst a balloon. Nonetheless we are custodians of the resources of the public sector and we would be failing in our duty as policy secretaries if we did not point out the problems in schemes such as this one.

We have received a wide range of views on the proposal and although the Administration's points have been given prominence, similar views have also been expressed by members of the public. We will listen to all. Indeed we are duty bound to do so. However it does not take a further study, I say again, outside the Administration, to enable the Executive Council to reach a decision. It is not a question of whether Hong Kong can do it. Of course we can. It is a question of priority. The Administration is perfectly capable of making recommendations to the Executive Council on what priority should be given to which project. We have been doing it for years.

We will give the most careful and fullest consideration to the proposal to register Hong Kong's interest in staging the World Exposition in 1997 with the BIE before the deadline of 20 November 1988.

The motion tabled by Mr. Stephen CHEONG calls on us to do just that, and for this reason I support the motion.

FINANCIAL SECRETARY: Sir, my colleague, the Secretary for Administrative Services and Information, has spoken at some length and in some detail. He has referred to the motion. But I would like to repeat the terms of the motion we have been debating. It is important.

The motion is 'That this Council urges the Government to give full and serious consideration to the proposal to register Hong Kong's interest in staging the world exposition in 1997 with the BIE before the deadline of 20 November 1988'. We are not debating whether or not Hong Kong should host a world exposition in 1997. What this motion urges the Government to do is to give full and serious consideration to the proposal to register our interest. Clearly, having regard to the amount of public discussion that has taken place in relation to this proposal, it is entirely right that the Government should give the matter its full and serious consideration, and in these circumstances, Mr Stephen CHEONG's motion can be readily supported. Sir, in saying this, I acknowledge the thoughtful and indeed constructive comments made by a number of Members of this Council this afternoon, Members who have spoken against the proposal. I hope they will understand that in my supporting the motion I do so as a member of the Administration conscious of the need to consider views that have been expressed by what I believe will turn out to be a majority of Members of this Council.

Before I embark upon the substance of my speech may I extend my personal congratulations to Mr. CHEONG and all those involved for their imagination in putting forward the proposal for a World Expo, in the first place. It is an exciting idea, and many of the comments made by Members in this Council this afternoon have been clear indication of this.

My colleagues the Secretary for Administrative Services and Information and Secretary for Lands and Works have spoken regarding the problems involved in mounting

an Expo in Hong Kong in 1997. They have covered the ground in some detail, but there are a number of matters that I would like to address myself before we conclude. I hope that what we have said this afternoon will assist Members of this Council and indeed members of the public in focusing upon some of the difficult issues that have to be faced in making a decision whether or not to register Hong Kong's interest in staging an Expo.

In our examination of the proposal, three main factors have been uppermost in our minds. First, we should ask ourselves whether hosting an Expo is essential in the overall interests of Hong Kong, not just desirable. A decision to register our interest in staging an Expo with the BIE should be taken only if the Government is convinced that the gains to the community outweigh the costs.

Secondly, we have to take into account budgetary constraints. We run a fairly tight budget in Hong Kong. We seek to ensure that the public sector expenditure growth does not exceed the trend growth rate of Hong Kong's economy, and we try not to get ourselves into debt. I shall turn to this aspect again in a moment, but the point I wish to make is that all projects of whatever nature and for whatever purpose have to be fitted into a carefully considered programme of public expenditure.

The third point is that in addition to considering the budgetary constraints upon our actions, we must take into account the effect on our economic development. Public sector expenditure should not take up an undue proportion of GDP. Private sector expenditure is also highly relevant. At the moment the economy is performing well, but we have seen how tight the situation can become in terms of the labour market and how a degree of overheating can have an adverse effect on the rate of inflation. In the run-up to 1997, it is difficult to predict how the economy will perform, vulnerable as we are to external influences. A degree of caution is therefore always necessary.

Sir, as the Governor said in his annual address to this Council last week, Hong Kong will be heavily committed to a number of major infrastructural projects over the years ahead, in addition to the current commitments to our programmes in housing, social services, education and so on. Some of these projects will undoubtedly cover the years 1994-1997, and indeed the period beyond. If we were to alter the timing of various projects to accommodate Expo, it is almost inevitable that some with a high priority would have to be deferred. My colleague, the Secretary for Lands and Works, has already touched upon this aspect, but when we are talking about new trunk

roads, bridges and tunnels, sewage works and flood protection and possibly a new airport and major new port facilities, it is not difficult to gauge the magnitude of the problem.

It has been suggested by proponents of the scheme that it would cost only \$1.8 billion. This figure, taken from the consultants' report, refers merely to the basic cost of building the pavilions on site, and is, of course, just an estimate of expenditure that would take place eight years hence. But in any event, there is much more to an Expo than the cost of the pavilions. The sponsors are assuming that they will have the free use of about 80 hectares of extremely valuable land for about three years. The minimum cost of that together with essential infrastructure and services would be \$2 billion (again an estimated figure) and the cost of building eight hotels is conservatively estimated at \$2.7 billion. Of course, this expenditure is not of a temporary nature. The point at issue is whether the resources involved should be diverted to Expo at a time when the public works programme is certain to be fully stretched. Seven billion dollars is not a small amount of money which can easily be fitted into Hong Kong's construction programme as has been suggested by Mr CHEONG and others. It is the equivalent cost of the Tuen Mun Hospital, the Eastern Hospital and the second harbour tunnel all added together.

Sir, very simply, in Hong Kong an enormous amount of work will be going on for quite a number of years, and this places considerable demands on the economy. It is important to remember that what we are at present planning will be of long-term benefit to Hong Kong. To interrupt our plans with a project that in itself is of short-term duration and in relation to which the benefits are uncertain is of doubtful wisdom, however praiseworthy the motivation. As I have indicated, both public and private sector expenditure should be taken into account. An overloaded economy could well result in a higher inflation rate with all the pain that that can entail. Even if there were spare capacity at the time, the extra spending could be more usefully employed to provide infrastructure geared to Hong Kong's long-term needs. I do question whether the financial and economic environment in which the new Special Administrative Region will come into being in 1997 is likely to be enhanced by a burden of debt and by an economy which has been subjected to undue strain.

Sir, in view of the lateness of the hour and the fact that my colleagues have already covered many of the points made by hon. Members, I am not proposing to refer to those points again in any detail, but I would like to pick up one point made by Mrs. Selina CHOW when she referred to the Government's half-hearted attempt to study

the feasibility of the concept. There is nothing half-hearted about our consideration at all. When the suggestion was first made, it generated a great deal of excitement and enthusiasm and the study that was conducted was indeed whole-hearted. Of course there were differences of opinion within the Administration as indeed there are in any lively and active organization. Some might argue that those who were very enthusiastic about the project were perhaps letting their hearts rule their heads. But I can assure Mrs. CHOW and others that very serious and very detailed consideration was given to the proposal. There was really nothing half-hearted about it at all.

Sir, in considering whether or not we should indicate Hong Kong's interest in hosting an exposition in 1997, we have to bear in mind that many of the assumptions upon which the studies carried out so far have been based are not at this stage capable of precise test. They are at best, as Mr. TSAO had said, heroic. Clearly, if the assumptions in relation to attendance figures failed to live up to expectations, this could be damaging not only in terms of the financial viability of an Expo but also in terms of the confidence generated by such an event. Of course, many would say "nothing ventured nothing gained". But in the circumstances of Hong Kong, facing as it does a transition in 1997, it does seem to the Administration that a gamble is not what we want. Some Members, Sir, this afternoon have spoken about confidence and I would like to recount to Members of the Council a conversation I had with someone who had just recently come to Hong Kong. He had the privilege of reading the Governor's opening address and he said he had rarely read a document which gave so many reasons for confidence in the future. This Administration has very extensive plans for development and I do believe that confidence is generated by such plans. I have no doubt that the steady progress and completion of long-term projects and the timely development of services within our means are far better designed to engender that long lasting confidence in Hong Kong which will ensure its stability and prosperity in the years ahead.

Sir, with these remarks, I support the motion.

MR. CHEONG: Sir, I thank all Members who have spoken on this debate. I was very much tempted to refer point by point to all that had been raised. But I am sure we would not be in a good mood to listen any more. I wish to thank Miss LEUNG Wai-tung specifically for having given so much of her effort in studying the subject. She ought to be commended for her diligence. But I must respectfully point out that she might have totally missed the point. I would like just to repeat what I have

said before and what most Members have understood already and that is, the pre-feasibility report should not be the basis upon which the proper and final assessment is to be made. Her analytical efforts on the pre-feasibility study should be markers for further and fuller studies and not as a basis upon which to make a decision whether Hong Kong could or should have an Expo in 1997.

Unfortunately, Sir, having listened very attentively to Government Members, I find they have tended to make the same mistake. It is always very easy to criticize someone's hard work and assumptions. Anyway, it is not for me to defend the consultants as I was not involved at all in the study except that I had to pay up. I simply wish to reply to one question Mr. TSAO has asked, 'What do we want of this Administration?' We want an open and responsible Administration, open so that when Legislative Council ad hoc group Members discussed topics in good faith for the good of the community, the Administration must try its best to supply us with all necessary materials. The Legislative Council ad hoc Group on this particular project only received some materials from the Administration two days ago. And I had to specifically request the help of the OMELCO Secretariat to despatch it in the evening to all Members for their reference before they could take part in this debate. Whatever the explanation given by the Secretary for Lands and Works and Secretary for Administrative Services and Information on the press report of a certain document, whether it is a note, as the Secretary for Administrative Services and Information had described it, or otherwise, I can assure you, Sir, I and my colleagues have as yet not seen it. But, Government has had it for a few months already. The Secretary for Administrative Services and Information said he had no knowledge of it. I respect his views and I believe him. But does this not cast doubts on the effectiveness and the degree of co-ordination of the government committee assembled to study this project? After all, the Secretary for Lands and Works, being a member of the committee, should have knowledge of that note or report and as a member of that particular committee, if he knew about it, he should have related that information to other committee members for discussion and consideration. Should it not have been made known to the Secretary for Administrative Services and Information or to other Members including the Secretary? So what has the Government done? Can it supply us with all statistics, calculations and materials used to reach the conclusion that we cannot register our interest in staging an Expo because it will delay other projects? Mr. TSAO says that there is no need to have further consultants because they will not give us the correct answers. But Government has been engaging consultants for all kinds of projects. If consultants cannot give correct answers and proper information, why has the Government engaged so many consultants to study so many

projects before making a decision? Is an Expo not big enough to warrant another consultant to do a study? Sir, quite honestly, in this particular debate, the crux boils down to no more than this: differences of opinion as to what is essential and what is not to the future of Hong Kong. A tussle between the mundane tangible assets of brick and mortar and those intangible assets such as sense of commitment and confidence.

Sir, there is no question that we need a new airport, new port facilities, new roads, new bridges, new reclamations. These are all essential to the well-being of Hong Kong. But what is more essential, Sir, is a high-spirited people, a dedicated people who is fully committed to the future of this territory, a commitment that grows out of unremitting confidence in their future here, a commitment that grows out of their pride in being a member of this land of magic.

What better way, Sir, can we foster this confidence than holding an Expo in 1997 which the Government have rightly pointed out would 'focus world attention on Hong Kong at a significant moment in its history'. Let Hong Kong people demonstrate its high degree of autonomy through its ability to stage a world event on its own and project Hong Kong as a dynamic and prosperous and efficient city, and foster trade and cultural links.

All of these benefits of an Expo, Sir, are intangible. They are unquantifiable, but they do not just come and go. Nor should they be dismissed lightly as momentary pleasures. They are the very qualities that make Hong Kong what it is today, and they are what we need as we march towards the future. Are they, Sir, not essential? Honourable Members, think!

Sir, in Hong Kong, no problem is insurmountable. Shying away from the prospect of hard work and possible problems is not in Hong Kong's tradition. What is in our tradition, as you well know, Sir, is a spirit to make things work, a keen eye for opportunities, and the good sense and initiative to grab them as they come along.

If a full feasibility study proves, as it has been shown in our pre-feasibility study, however much you dispute it, that it is possible for Hong Kong to hold an Expo, why should we give up this golden opportunity by not registering our intention now?

If we are to hold an Expo, there will, no doubt, be a lot of hardwork before us, there will be problems to be solved. But I have not the slightest doubt about the

ability and dedication of either the Government or the people in making this event a splashing success.

What have we got to lose by registering our intention now? On the contrary, please ask ourselves what we will lose if we let the opportunity come and go without even moving a finger.

Sir, it is better to have tried and failed than not to have tried at all. In the context of this debate, those who have courage and are being styled as gamblers will opt for the former. Those without courage and are being styled as pragmatist, will opt for the latter. Now is the time to move!

Question put and agreed to.

Adjournment and next sitting

HIS HONOUR THE PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday, 26 October 1988.

Adjourned accordingly at Eight o'clock.